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NEWS SUMMARY

GENERAL BUSINESS

Muskie hope for more talks

The first top-level meeting between the U.S. and the Soviet Union since the Soviet invasion of Afghanistan ended in Vienna last night without any firm prospect it would lead to a thaw in East-West relations.

U.S. Secretary of State Edmund Muskie emerged from three hours of talks with his Soviet counterpart Andrei Gromyko and said he hoped the talks would lead to further discussions.

Berlin, speaking to world leaders gathered to celebrate the 25th anniversary of the signing of the Austrian Treaty, Mr. Muskie said international security had been endangered by a violation of the principles of neutrality and independence. In Washington, President Carter refused to soften his attitude towards the Moscow Games after a meeting with International Olympic Committee president Lord Killin. EEC Ministers, Page 2

Forestry Commission warned

Forestry Commission warned the public to keep away from woods and nature reserves as some of the worst fires for 30 years continued to rage through forests and moorland in many parts of Britain.

Israeli attack

Israeli forces backed by gunboats and helicopter gunships struck deep into Southern Lebanon in one of their biggest raids of recent months. Eleven people were killed and 16 wounded.

'I saw Peach hit'

Blair Peach was hit by a policeman as he stumbled, car worker Pravin Patel told the Hammersmith inquest. He then helped carry Peach into his house and phoned for an ambulance.

Nyerere plea

Tanzania President Julius Nyerere has urged Uganda's new military rulers to hold internationally supervised elections within the next three months to return the country to civilian rule.

Pest destroyed

Ministry of Agriculture ordered the destruction of a cargo of Italian spinach in which 29 Colorado beetles, a serious crop pest, have been found.

New Press law

South African Government proposed sweeping new laws which would prevent the press reporting arrests for alleged terrorist activities. Page 2

Davis appeal

George Davis and five others joined for a total of 87 years for a £50,000 raid on a North London bank in 1977 had their sentences reduced by the Appeal Court. Davis had his 17 year sentence cut to 11.

Clean-up plan

Fifteen governments approved a 175m plan in Athens to reduce and control pollution of the Mediterranean Sea by factory waste and sewage.

Tailpiece

Police are looking for a six-foot long crocodile reported seen crossing the M55 near Preston. It was spotted by three drivers who said one car had run over the croc's tail.

Briefly

Zimbabwe appointed British judge John Charles Fieldsend who left Rhodesia after UDI its first chief justice.

PUBLISHER'S NOTICE

The Financial Times apologises for errors contained in this issue which are due to difficulties in the reading department.

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES: Exchange 12p 13-17 8991 + 1
Allied Colloids 119 + 6
ANZ 215 + 5
Bejam 77 + 4
Bilham (J.) 84 + 8
Courtaulds 71 + 3
European Ferries 129 + 4
Fell & Spence 224 + 5
Steel Bros 150 + 17
Utd. Scientific 520 + 8
Ultramar 338 + 8
London Samra 370 + 23
Mount Lyell 76 + 15
Tanks 290 + 8

FALLS: 190 - 10
Comet Radiovision 88 - 4
Harris Queensway 170 - 7
Heath (C. E.) 207 - 10
ICI 380 - 10
Land Securities 330 - 5
Lesney 17 - 2
Lloyds & Scotts 136 - 7
Linc. Inds. 224 - 5
MEPC 212 - 6
Polly Peck 36 - 4
Viking Resources 214 - 6
LASMO 628 - 22
Anglo Utd. Dev. 165 - 15
Hampton Areas 378 - 20

Inflation near 22% but Howe hopes for fall this year

BY DAVID MARSH

THE ANNUAL RATE of retail price inflation rose to nearly 22 per cent last month. Highest since February, 1976, and more than double the figure of a year ago.

The rate is likely to increase by at least a further percentage point before falling below 20 per cent again later this summer.

Sir Geoffrey Howe, the Chancellor, yesterday blamed much of the rise on excessive pay settlements and increased oil prices. He said he was sticking to the Government's forecast, made less than two months ago, that inflation would fall to 16.5 per cent by the end of the year, even though City analysts say this figure now looks over-optimistic.

It is clear that Ministers are becoming increasingly worried about the effect of the recent acceleration in price rises on the next round of wage bargaining later this year.

But they maintained firmly yesterday that there would be no change in economic direction. Present policies would stay.

The retail prices index for mid-April, published by the Department of Employment yesterday, rose 3.4 per cent against March to 260.8 (January, 1974=100).

The rise since April, 1979, was 21.8 per cent. This compares with a 12-month rate in March of 19.8 per cent, and in April last year of 10.1 per cent.

Britain has now overtaken Italy as the country with the highest inflation rate among the main industrialised economies.

About a third of the rise in prices in the month was the result of increases in indirect taxation announced in the March Budget, with another third due to increases in local authority costs and rates.

There were increases in gas and electricity prices and transport costs, as well as other charges for services.

The increase had been widely expected. But it drew angry comments from the Opposition and trade unions.

Mr. John Smith, Shadow Trade Secretary, said the figures were "appalling" while Mr. David Bissett, of the General and Municipal Workers' Union said they would stoke up next winter's wage claims.

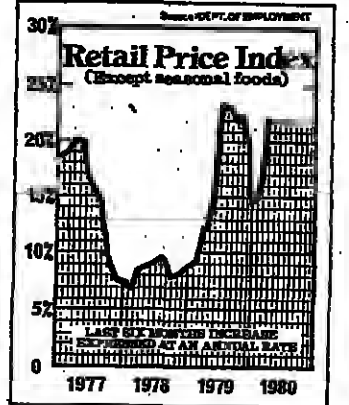
The May index to be published next month is likely to show a further rise in the annual rate to beyond 22 per cent.

An increase in bread prices will add about 0.1 per cent to the index, while rises in gas and electricity prices, being staggered over three months, will add 0.25.

The year-on-year rise in the April index was boosted by the annual effect of two Budgets, in June 1979 and March this year, being included in the 12-monthly comparison.

The effect of near-doubling of value added tax in last year's Budget will drop out of the index for July, to be published in August. This should result in a drop in the year-on-year rate of nearly 4 per cent to below 20 per cent.

But with big increases in earnings, contributing strongly to inflationary pressures, there is only faint hope Continued on Back Page



Apology by Clegg for pay error

BY JOHN LLOYD

PROFESSOR Hugh Clegg has admitted that an error by his commission has meant that its recommendation on teachers' pay increases, accepted by both sides, will cost £130m more than it should have done.

A letter from Professor Clegg, head of the Commission on Pay Comparability, to the Prime Minister expressing "great regret" over the error was published by Downing Street yesterday.

The letter says that the rises should have been four per cent lower than those recommended.

The commission's report on teachers' pay, published last month, recommended increases ranging between 17 and 23 per cent, and averaging 18.2 per cent. The cost of the rises totalled £640m.

The correct range, says Professor Clegg, is between 13 and 21 per cent, at a cost of £370m.

The rises were agreed a few days after the publication of the report by the Burnham Committee, the national negotiating body for teachers' and lecturers' pay. The National Union of Teachers is to ratify acceptance at a special conference today, but that acceptance is regarded as a formality.

Last night the management side of the Burnham Committee said it would not go back on its promise to implement the Clegg proposals—but these had now been changed.

A meeting of the local authorities representatives on Burnham will be held on Thursday.

However, the main teachers' unions made it clear that they would not re-open discussions on the Clegg award.

Mr. Fred Jarvis, general secretary of the National Union of Teachers, said: "There can be no going back on what has been agreed in the Burnham Committee."

The National Association of Schoolmasters has also said that there is "no question of giving the money back."

Professor Clegg's letter explains that in paragraph 63 of the report, the commission had stated that holders of a Bachelor of Education degree without good honours (first or second class) started at a salary on April 1, 1979, of £3,492, while the actual figure was £3,714. It also said that B.Ed. graduates with good honours started at £3,714, while the actual figure was £3,996.

Nevertheless, President Carter, who has pledged to take

U.S. industrial output drops 1.9% for April

BY DAVID BUCHAN IN WASHINGTON AND IAN HARGREAVES IN NEW YORK

INDUSTRIAL production in the U.S., which had been falling since January, slid dramatically last month by 1.9 per cent, its sharpest monthly drop in more than five years.

Housing starts were also at a five-year low for April, but the 2.1 per cent decline from March to April was less severe than some economists had expected.

With these unmistakable signs of economic recession, major U.S. banks also further reduced their prime lending rates to 16 1/2 per cent from a spread between 16 1/2 and 17 1/2 per cent.

Led predictably by declines in the car and housing sectors, Federal Reserve Board figures showed the April fall in output from U.S. factories to be the biggest since a 2.3 per cent decline in February 1975.

The accelerated downturn last month—after falls in industrial output in February of 0.2 per cent and in March of 0.7 per cent—has raised the prospect of a 1980 recession equal to the economic decline of the mid-1970s. Unemployment was earlier reported to have risen from 6.2 per cent in March to 7 per cent last month.

The Carter Administration has forecast a "mild and short" recession, and is not expected to publish a revised prediction until mid-July.

Nonetheless, Government economists already assume that April-June figures will show a fall in the growth of the overall economy, as measured by the Gross National Product.

Starts of privately owned housing, at 1,019,000 units, were down by 2.1 per cent in April from their March total. This followed a precipitate 21.8 per cent decline in March, the second sharpest on record.

The Commerce Department, which collects the housing figures, said a continued slip in permits foreshadowed a further decline in housing starts in coming months.

Domestic car production, hit by imports, particularly from Japan, and falling demand fell sharply last month, with the annual rate of output dropping to 6m vehicles, more than 30 per cent below the rate in the first half of 1979.

Administration assessments that the current recession will not be severe are largely based on assumptions that the car and housing sectors will soon touch bottom.

Nevertheless, President Carter, who has pledged to take

No confidence vote topples Japanese Government

BY RICHARD C. HANSON IN TOKYO

THE GOVERNMENT of Prime Minister Masayoshi Ohira was dramatically and unexpectedly toppled last night after it lost a vote of confidence in the Lower House.

The vote was forced by bitter divisions within the ruling Liberal Democratic Party. This was the first time in 27 years that a Japanese Government had been turned out of office by such a vote.

Mr. Ohira's Cabinet, formed barely seven months ago after a prolonged inter-party power struggle, immediately decided to dissolve the Lower House of the Diet (Parliament). This action should clear the way for a General Election as early as next month, perhaps coinciding with the Venice summit meeting.

The Liberal Democratic Party, which has been seriously weakened by squabbling among its leaders, thus faces an election for both the Lower and Upper House, probably within days of each other.

The crisis is the most serious faced by the Liberal Democrats since the party's formation as a conservative coalition in 1955. It raises the possibility that the party's unbroken domination of the Japanese political stage may be broken.

The party nearly lost its crucial majority in the Lower House during the General Election last October.

The death blow to the Ohira government was dealt by the Liberal Democrat factions led by two former Prime Ministers — Mr. Takeo Fukuda and Mr. Takeo Miki. Last year they led an unsuccessful drive to force Mr. Ohira to resign after the October 7 General Election setback, when the Government emerged with a paper-thin majority.

Members belong to both fac-

tion failed, to appear for the vote last night, leading to the passage of the motion of no confidence by a 243 to 187 margin.

The success of the resolution, introduced by the Japan Socialist Party (the largest opposition group), took both the opposition and the ruling party by surprise. Minutes before the roll call for voting, it was assumed that the measure would be defeated by the Liberal Democratic majority by a small, yet comfortable, margin.

The Socialists tabled the resolution to protest at what they consider to be the Government's failure to deal with recent political scandals. They also criticised the Government's economic and foreign policies.

The absence of members of Continued on Back Page

no action to stimulate the economy until inflation starts falling consistently, has felt politically compelled to try to reduce the pain in the worst-hit areas.

This week, he promised Detroit car industry leaders a review of their requests for tax, trade and regulation changes. Mr. Carter has ruled out straight import curbs, but is increasing aid to car workers laid off by import competition.

But the Federal Reserve, which compiles the production figures, noted that the April decline was widespread and that reduced output outside the car and housing sectors accounted for most of the month's fall in the index.

The fact that stocks are seen at the moment is held to be a good sign, because it should mean that with the recession and slack consumer demand businesses will not totally halt new purchases from factories.

Citibank, New York's largest bank, led yesterday's prime cuts. Most major banks are now at the 16 1/2 per cent mark set by Morgan Guaranty and others on Monday.

Unpredicted

The drop came in spite of a significant upward movement in short- and long-term rates in the credit markets, where traders seemed to be bracing themselves for a resumption to the growth of money supply after remarks on Thursday by Mr. Paul Volcker, chairman of the Federal Reserve.

Mr. Volcker merely said that after several weeks of unplanned and unpredicted shrinkage in the money supply, he expected the aggregates to start growing again shortly, although within the growth range intended by the Fed.

Traders, whose nervousness has been increased by the large volume of bond issues on their books, immediately started to mark down bond prices and to push up interest rates on short-term instruments.

Further cuts in the Prime Rate are, however, widely expected as the banks move this key rate closer to its historical relationship with other short-term interest rates.

£ in New York

	May 15	Previous
spot	\$2.870-2900	\$2.898-2998
1 month	1.45-1.55 ds	1.50-1.62 ds
3 months	2.50-2.55 ds	2.55-2.65 ds
12 months	7.40-7.50 ds	7.55-7.68 ds

Port Talbot steel cuts agreed

BY ROBIN REEVES, WELSH CORRESPONDENT

BRITISH STEEL Corporation has achieved a major breakthrough in implementing its retrenchment programme. Trade union leaders at BSC's Port Talbot works, South Wales, have signed an agreement accepting the Corporation's radical cuts by the end of the year.

Subject to approval from full-time steel union officials, the deal gives BSC the go-ahead to reduce by more than half Port Talbot's sheet steel production to 1.4m tonnes a year. Manning will be cut from around 12,000 to 5,701, including white-collar and management staff.

About 500 to 600 workers at the plant have already gone, since the cuts were first proposed last October. Around 5,000 of the redundancies will be implemented over the remainder of this year and the remaining 1,000 next year, though union representatives are hoping these will not be necessary.

BSC originally wanted the cutbacks to be achieved by September but, during negotiations, it accepted this was not possible. Even so, the Port Talbot agreement has been achieved six weeks ahead of the June 30 deadline.

The redundancy terms provide for ex gratia severance payments linked to length of service. An employee with 30 years in BSC will receive 45 weeks' pay on top of the corporation's normal redundancy terms and EEC entitlements, giving some workers as much as £17,000. At the other end of the scale, those with between six months and five years' service will get 20 weeks' pay. The remainder will get 20 weeks pay plus a further week for each year beyond five years.

In exchange for this agreement, workers at Port Talbot will now receive the 41 per cent minimum guaranteed bonus payment, provided for in the steel industry agreement, backdated to April 1. A further 51 per cent will also be paid retrospectively, as the reduced manning targets are met—giving a final pay increase to remaining Port Talbot steel workers this year of 21 per cent.

Union representatives said Port Talbot's multi-union committee had decided it was best to get the plant down to an economic size, where it could compete with any in Britain, as soon as possible. The aim would be build output back up to 3m tonnes a year from this base.

The Port Talbot agreement is likely to undermine any further retrenchment programme, at least in Wales, where some 20,000 of the BSC's redundancies in the programme are planned or already implemented. Cuts at Llanwern are still under negotiation, but agreement is expected by the end of the month.

Successful start for SAVE & PROSPER INTERNATIONAL BOND FUND

Following the abolition of Exchange Controls last October, Save & Prosper, Britain's largest unit trust group, were the first to launch an authorised International Bond Fund.

Since the Fund's launch on 17th November, the Managers have kept the Fund substantially in cash rather than in bonds which they regarded as vulnerable to further rises in interest rates. This policy has resulted in an increase in the unit offer price of 9.6% over the six months to 13th May 1980, a period when all major bond markets have shown significant downturns and sterling has been strong against all major currencies.

Initially the Managers purchased deutschmarks with a view to investing in the German bond market. However, as the prospects for the deutschmark began to deteriorate the bulk of the Fund was put on deposit in sterling. Subsequent switching between currencies and the trading of UK gilts has further boosted the Fund's performance.

For the future, we are confident that by following an active and flexible investment policy unit holders will continue to benefit from changes in interest rates and exchange rates.

First Managers' Report

For your copy of the first Managers' Report and for information on how to invest in the Fund please telephone our Customer Services on 01-554 8899. Professional advisers should contact Save & Prosper Services on 01-514 1188.

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OVERSEAS NEWS

EEC Ministers may seek to unite on Games ban

BY JOHN WYLES IN BRUSSELS

EEC FOREIGN Ministers are likely this weekend to try to appease U.S. anger over their reluctance to impose full trade sanctions against Iran, by a concerted bid to achieve a Community-wide boycott of the Olympic Games.

Many Ministers meeting in Naples today and tomorrow will have already attended meetings in Brussels and Vienna, during which Mr. Edmund Muskie, U.S. Secretary of State, has appealed for their support on both issues.

Mr. Muskie has devoted much of his European debut this week to emphasising the need for unity, especially the need for the EEC to live up to the sanctions commitments which its Foreign Ministers appeared to give last month.

The Community then seemed set to ban most or all existing trade contracts with Iran. But a combination of national self-interest, allied to legal problems, has pulled the EEC back from such a policy. Instead, the Foreign Ministers are expected for the moment to ban only commercial and service contracts with Iran.

This could prove to be a problem in EEC-U.S. relations as long as the hostages remain captive. For this reason, France and some other Governments are urging Dr. Kurt Waldheim, United Nations Secretary General, to renew UN efforts, possibly by reviving the mission of inquiry into the deeds of the Shah.

Britain's position on this is unknown, since Lord Carrington, Foreign Secretary, has kept a low profile during the intense

West Germany and Italy are pessimistic about resolving the dispute over Britain's contributions to the European Community budget before the EEC summit in Venice next month. Reuter reports from Rome. Herr Helmut Schmidt, the West German Chancellor, reviewed the issue yesterday at talks with Sig. Francesco Cossiga, the Italian Prime Minister, and officials reported that both agreed there was not much hope for an early settlement.

diplomacy of the last few days. This approach has sparked rumours that the UK is planning some new initiative which would offer the EEC a valid excuse for mounting only partial sanctions.

Given this possible rift with the U.S. over Iran, it has become even more important for the EEC to try to satisfy the Carter Administration's demands for an Olympic boycott.

The boycott campaign has been given a boost by the West German Olympic Committee's vote to stay away from Moscow. Most of the Nine will now feel obliged to work for Community solidarity.

West Germany is the only EEC country firmly committed to a 'boycott', although the Olympic Committees of Belgium, Holland and Italy will be deciding over the next few days. Their counterparts in Denmark, Ireland and France have already voted to go to

Moscow. U.S. officials say some 47 countries are now definitely not going to Moscow. Another 29 are "leaning towards" non-participation, and 16 are undecided. Altogether, 29 countries — Communist and Eastern bloc — are committed to the Olympics, and another 39 look likely to go.

Our Foreign Staff writes: The Nine's Olympic committees are unlikely to fall into line with any Community policy. The Dutch committee is expected to follow the lead of the West Germans, but the British Olympic committee is "unmoved" by Thursday's decision and the French committee is not expected to alter its vote in favour of participating in Moscow.

Lack of a Government in Brussels has led to reduced pressures on the Belgian Olympic committee which so far has indicated that it will attend. But in Italy an expected Cabinet decision in favour of the boycott could split the Cabinet without necessarily winning over the national Olympic committee.

Portugal's Olympic committee yesterday voted by a narrow majority to participate.

East Germany has indicated that it may freeze sports links with West Germany as a result of the West German decision to boycott the Olympics. Any such move would be chiefly symbolic. The two states have about 60 sporting links, compared with the 10,000 between West Germany and France.

Chrysler to close big-car plant

By Ian Hargreaves in New York

CHRYSLER is to close its main large-car assembly plant as a further measure to cut overheads and to make progress towards its Government-agreed target of becoming a maker of only smaller, fuel-efficient cars by 1984.

The decision, the second closure announcement this week, came as Chrysler's European bankers were locked in combat in Amsterdam over the final terms of the Government-approved deal to rescue the company.

Almost 2,300 men will lose their jobs as a result of the shut-down of the Lynch Road, Detroit, plant, which builds the four full-size "gas guzzlers" which Chrysler still offers. Sales of these vehicles have plummeted in the last nine months and the company is currently offering cash rebates of \$1,000 to try to get rid of unwanted stocks.

The closure is due to take place at the start of the 1980 model year this autumn.

Although Chrysler said yesterday that it may bring the closure forward it demands slacks further. The move means that Chrysler is almost deserting the big car market this autumn, although it will continue to produce a scaled-down version of its New Yorker model in St. Louis, Missouri (one of the four currently produced at Lynch Road) as well as launching a limited quantity production of a new luxury car.

Earlier this week, Chrysler announced the closure of a truck assembly plant in St. Louis and an engine plant in Ontario. The moves mean that Chrysler will have only five car assembly plants operating from this autumn.

Politically, the closures will reinforce the issue of motor industry unemployment in the Michigan primaries on Tuesday. Mr. Ronald Reagan, campaigning in Detroit earlier this week, said he had accepted the case for a Chrysler bail-out "painfully".

The meeting in Amsterdam brought together representatives of about 40 European banks involved in loans to Chrysler.

Four German and French banks were opposing the detailed agreement made by representatives of several European banks in the U.S. as part of the \$1.5bn Chrysler package.

Row over Quebec 'no' slogan

By Wolf Leufkens in Montreal

THE Canadian Government urgently wants to stop Quebecers hitting the bottle. Social security cheques came through the mail this week with a leaflet showing a hand firmly turning a wine glass upside down. The slogan: "No, thanks, is an answer."

"No, thanks" happens to be the slogan both of a temperance campaign and of the "No" side in next Tuesday's referendum when the Quebec Government of Mr. Rene Levesque will ask for a mandate to negotiate sovereignty for Quebec in an event which would put the rest of Canada.

Mr. Levesque's supporters promptly cried "Foul." The leaflet, they claimed, was a way round the referendum law limiting campaign expenses.

If the latest opinion poll can be believed, it points to a 57-43 per cent defeat for Mr. Levesque. But the poll, published in the newspaper Le Devoir, also shows 52 per cent of Quebec's French Canadians decided or inclined to vote "Yes."

TOKYO CALLS GENERAL ELECTION

Why the factions struck Ohira down

BY CHARLES SMITH, FAR EAST EDITOR, IN TOKYO

FACTIONAL IN-FIGHTING was the apparent cause of yesterday's surprise defeat of the Government of Mr. Masayoshi Ohira in a no-confidence motion in the lower house of the Diet (Parliament). Factionalism has been endemic in Japan's ruling Liberal Democratic Party since it was formed 26 years ago. The party is basically a loose alliance of some five main factional groups, each centring on a powerful individual with aspirations to party leadership.

Two factions strongly opposed Mr. Ohira's leadership, although so far it was not suspected that they would go to the lengths of bringing down the Government to express their dislike of the Prime Minister.

The origins of yesterday's debate can be traced to a party leadership election held in late 1978, when Mr. Ohira scored a surprise victory over Mr. Takeo Fukuda, the then-leader of the party. Rumours that Mr. Ohira owed his victory to lavish spending by his ally Mr. Kakuei Tanaka, the disgraced former Prime Minister, made the election outcome highly controversial and helped to store up resentment among members of the party's pro-Fukuda wing. These resentments remained dormant until late last year, when Mr. Ohira decided to dissolve the Diet and call an early general election. The Prime Minister's decision was opposed by "anti-mainstream" factions



Mr. Takeo Fukuda, left, and Mr. Takeo Miki, centre, are both former Prime Ministers. Almost the only other thing they have in common is their dislike of Mr. Masayoshi Ohira, right, the present Prime Minister.

of the party, and the opposition became vociferous after the party was returned with an unexpectedly small margin. Events on the Japanese political stage since early this year have included two long-running corruption scandals, one concerning the monopoly corporation which handles international telecommunications and the other concerning the massive gambling debts of a Liberal Democrat Diet member (belonging to the Tanaka faction). Mr. Ohira has resisted calls from the Opposition parties and from the Liberal Democratic Party's "anti-mainstream" factions to allow the ex-dietman to be

questioned by a Diet committee. Scarcely anyone expected the Government to fall because of yesterday's no-confidence motion. Just as extraordinary is the timing. The party is gearing up for a crucially important election for half the seats in the Upper House of the Diet, which could easily cost the party its present Upper House majority of one seat. The Upper House election had been hailed as the main political event of 1980, but will now be overshadowed by, or even merged with, one which is far more important.

This will be an election to the

Diet's Lower House (the second in less than nine months). The Upper and Lower House elections could conceivably be staged on the same day — their an unprecedented event in Japanese politics. Even if they are not, the two will have to be held within a matter of weeks, severely straining all the main parties' campaign resources. The main question on the eve of the double elections would seem to be whether the ruling party can step back from the brink and unite for the election campaign, despite the open split which caused yesterday's defeat.

Egypt poll on constitution change

BY ROGER MATTHEWS IN CAIRO

EGYPT IS being asked to vote next week on two important amendments to the constitution which will allow President Anwar Sadat to continue in office beyond his current 12-year term and make Islamic law the source of all legislation.

Despite the theoretically complex logistics, the poll will be held on Thursday — just five days after the announcement. It seems certain that a massive turnout of voters will be officially announced and that the amendments will be said to have been agreed by a majority of more than 99 per cent.

Under the present 1971 constitution, President Sadat is due to step down in October, 1982, on expiry of his two six-year terms. The proposed change will allow a President to serve an undefined series of terms.

Mr. Sadat set the stage for his continuation in office on Wednesday when he told the People's Assembly that he would be happy to leave the Presidency in 1982. This was greeted — intended — with shouts of "No, no, no."

The other significant change to the constitution makes the Sharia (Islamic law) "the basic source of all legislation" instead of only a basic source. This is unlikely to please the Coptic (Christian) community who comprise about 10 per cent of the 41m population.

A third question in Thursday's referendum will enshrine the Press as "the fourth estate" and another is expected to approve the new "code of ethics" whose breadth of wording on alleged attacks against the State has aroused controversy.

Meanwhile, Mustapha Khafiz, the former Prime Minister, who lost his job in Tuesday's Government changes, yesterday flew to Washington to explain President Sadat's refusal to resume negotiations on Palestinian autonomy with Israel.

Ismael Hijazi reports from Beirut: An Israeli attack in south Lebanon on Thursday night — the third in a month — killed 11 people and wounded 17. While Israeli warships pounded the Palestinian camps of Rashidieh and Al Bus near the southern port of Tyre, helicopter gunships attacked inland targets near Nabatiyah, about 30 miles south east of Beirut.

The attack came 24 hours after Israeli troops killed three guerrillas near Kanita, an Israeli kibbutz about two miles from the Lebanese border.

France seeks increased oil supplies from Mexico

BY ROBERT MAUTHNER IN PARIS

FRANCE WILL seek to secure greater supplies of crude oil from Mexico at talks between President Giscard d'Estaing and Senor Lopez Portillo, the Mexican President, who arrived in Paris yesterday for a three-day visit.

Proposals for a deal under which Mexico would become one of France's biggest oil suppliers in return for French participation in Mexico's industrial development programme, are expected to figure prominently in discussions between the two leaders.

The Mexicans are believed to be willing to offer France a long-term oil supply agreement, which would provide for a doubling, or even quadrupling, of the quantities of oil which they currently supply to France, on condition that they obtain a satisfactory response.

Under a 10-year contract signed last year by the Compagnie Francaise des Petroles (Total Group) with the Mexican state-controlled Pemex Group, Mexico has undertaken to supply France with 5m tonnes of crude a year.

If the proposed new deal materialises, this amount would

be increased to between 10m and 20m tonnes, the equivalent of 10-20 per cent of France's total oil imports.

The Mexicans, however, are reported to be uninterested in a simple trading arrangement and would prefer a deal providing for a transfer of French technology as well as large-scale industrial investment in Mexico.

The main difficulty is that French investors have so far shown little interest in Mexico. Mexico would like to see much greater industrial co-operation in a number of fields such as the nuclear and telecommunications industries, mining and the processed food industry.

A big problem for France is that any increase in Mexican oil deliveries would seriously upset the trade balance between the two countries, which has been heavily in favour of France for many years. Last year, France had a trade surplus with Mexico of FF1,180m (about £160m), but this will be turned into a deficit by the end of this year with the progressive application of the oil contract between SF and Pemex.

S. Africa tightens police law

By Quentin Peel in Johannesburg

SWEEPING new laws to prevent the identification of prisoners held by the South African police under the indefinite detention provisions of the Terrorism Act were presented to Parliament for approval yesterday.

The proposed amendments would outlaw any reporting of police actions or methods in combating terrorism, and ban publication of any information about individuals or groups who were the targets of such action. The ban would apply to people detained under the Terrorism Act, which already provides for prisoners to be kept away from any lawyer or relation, and the General Law Amendment Act.

The amendments, introduced as a result of the recent Steyn Commission of inquiry into Press reporting of security matters, were immediately condemned by Opposition spokesmen. Mr. Ray Swart, police spokesman of the Progressive Federal Party, said: "This savours of the totalitarian police measures of Nazi Germany or Soviet Russia, where citizens can simply be erased from society."

Ugandan coup leaders fly to Tanzania

KAMPALA — Four leaders of the coup in Uganda flew to neighbouring Tanzania yesterday for a meeting with President Julius Nyerere, who appears bent on persuading them to organise elections to restore civilian rule as soon as possible.

The four Ugandans were expected to be involved in several hours of talks with President Nyerere at the northern Tanzanian town of Arusha, before returning to the Ugandan capital.

Mr. Paulo Mwangi, chairman of Uganda's Military Commission, was accompanied by Brigadier David Oyite Ojok, whose dismissal by President Godfrey Binaisa precipitated the Kampala coup, and by two other Commission members.

Diplomats in the Tanzanian capital Dar es Salaam, have reported that President Nyerere would like the Ugandans to hold elections supervised and observed by the Commonwealth. He wants Uganda to return to civilian rule within three months. Reuter

China on long march to military modernity

By Colina MacDougall

CHINA'S announcement that it will test an inter-continental ballistic missile in the Pacific during the next four weeks, highlights its increasing progress towards military modernisation.

Key projects are being pushed ahead despite the higher priority normally given to the civilian economy. They include the ICBM, a new fighter plane and a transport nicknamed "The 708". Because of its strong resemblance to the Boeing 707, though China yesterday denied it was a copy.

Logistics are also being thoroughly revised as discipline tightens.

The forthcoming ICBM test is no surprise. Since the early 1960s the Chinese have maintained an ICBM programme, but it has been delayed by political disturbances and Chairman Mao's policy favouring guerrilla warfare over sophisticated weaponry. The vast majority of men in China's armed services still carry weapons from the 1950s and it will take years for its yawning technology gap to be closed.

After the fall of the Gang of Four in 1976, modernisation assumed importance, and by this year military experts believe that China already had some untested inter-continental capability.

The CSSX-4, which is likely to be the missile tested, is a two-stage liquid-fuelled rocket used in Peking's space launches. China is also working on a new three-stage rocket, the Long March 3, essentially an upgraded version of the two-stage rocket, but with a sophisticated liquid-hydrogen-fuelled third stage added.

China has also built a new supersonic fighter which was described and illustrated in Chinese magazines in March. Apparently based on the MIG-21, it was said to have reached twice the speed of sound in test flights. For some time the Chinese have been believed to be working on a new airplane powered by the Rolls-Royce Spey engine now in production under licence at Xian in Shaanxi Province.

The new transport plane — in Chinese terminology the Y-10 — seen by Western businessmen at Shanghai airport is adapted from the Boeing 707. It is powered by space Pratt and Whitney engines bought as part of the original deal with Boeing in 1972.

Further foreign input into China's defence seems unlikely in the immediate future. The number of Harrier jump jets under discussion has shrunk to single figures and in the short term the British aviation equipment exhibition at Shanghai in March has produced no sales.

Meanwhile, Peking's military is still grappling with severe internal problems. The focus is on improving logistics — particularly difficulties like fuel transport and weapons apparent in last year's invasion of Vietnam. At the same time the Chinese plan to resume the system of ranks and uniforms abandoned under Maoist influence in 1968.

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Islamic plan for Afghan crisis

BY DAVID HOUSEGO IN ISLAMABAD

THE ISLAMIC Foreign Ministers' conference, which opens here today, may make its own proposals for a political solution to the Afghanistan crisis, Mr. Agha Shahi, Pakistan's Foreign Affairs Adviser, indicated here last night.

Such a move would almost certainly be warmly welcomed in Western capitals as an important step in keeping the moral pressure on the Soviet from Afghanistan, and as a Union to withdraw its forces diplomatic setback to the Russians in the Third World.

But it was uncertain to what extent Mr. Shahi was reflecting a consensus emerging from the Islamic states after initial consultations, and to what extent he was putting Pakistan's viewpoint. He also spoke of "very strongly held" divergent views on Afghanistan held by member states — an implicit reference to such pro-Soviet nations as Libya and Syria, although he did not name them.

Mr. Shahi said the main points of a proposed political solution would be: the withdrawal of Soviet troops; the return of the Afghan refugees to their country in conditions of security; the right of the Afghan people to choose their own form of government; and guarantees for Afghanistan's sovereignty and non-aligned status.

The proposals have similarities to those adopted by the European Economic Community.

Mr. Shahi also said the conference might establish a committee of foreign minister level to explore the possibility of a political solution through international meetings with the parties concerned.

Mr. Shahi did not rule out contacts between such a committee and members of President Babrak Karmal's regime in Afghanistan, but he insisted this would not amount to recognition of the Afghan Government.

The January session of the Islamic conference precluded member states from relations with Kabul until Soviet troops had withdrawn.

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Iran braced but calm over sanctions threat

BY ANDREW WHITLEY IN TEHRAN

IRAN IS facing the prospect of further economic sanctions with equanimity and, on the surface, considerable evidence that they will have little effect in the foreseeable future.

Mr. Mohammed Reza Nematollah, the Labour Minister, told the official Pars news agency this week that although Iran was not taking sanctions seriously, a standing committee had been set up in the Prime Minister's office to tackle problem areas and discuss alternative supply arrangements with foreign countries.

According to a senior official in the Commerce Ministry, 87 per cent of Iran's imports come from the West, six per cent from the Soviet bloc and seven per cent from other developing countries.

Over the past five months, he said, "thousands of intermediaries" had come forward to meet Iran's needs — including U.S. goods subject to embargo. The increase in shipping insurance charges, which have made international lines reluctant to accept cargo for Iran, has had a more serious effect.

Bracing itself for sanctions from Western Europe and Japan due to be implemented this weekend, Iran has possibly over-reacted in advance. One example is that future oil payments are apparently to be handled only by banks in four neutral or non-aligned countries — even though France and Britain, two of the main losers

from the switch, have made it clear they do not intend to follow the U.S. in imposing a freeze on Iranian assets.

Rumours of a possible ban on flights by West European airlines to Tehran caused yesterday that Iran Air would have to stop its own flights to those countries if that occurred because of the problems involved in servicing the aircraft.

Most officials, though, are taking the prospect of further restrictions calmly. According to Mr. Reza Sadat, the Commerce Minister and a member of the Revolutionary Council, the only effect would be a small increase in prices as most imports were simply being handled through other channels.

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Kabul denies Herat win by rebels

By Our Foreign Staff

THE AFGHAN government has firmly denied reports that Moslem rebels have captured the strategically important north-west city of Herat, the Soviet news agency Tass said yesterday.

Western travellers arriving in New Delhi in recent days have reported heavy fighting around Herat, a city considered a centre of Islamic fundamentalism, with rebels clashing with Afghan government troops backed by Soviet meo and military hardware.

Tass quoted an official Afghan government spokesman as saying that "life proceeds normally" in Herat. He specifically denied that the city had fallen into rebel hands, claiming that Western reports were "malicious and groundless lies."

Talk of clashes in Herat came just a week after news of heavy fighting around the city of Chazni, south east of Kabul, the Afghan capital.

Escalation of military activity inside Afghanistan comes at a potentially embarrassing time, as Foreign Ministers from many Moslem countries assemble in the nearby Pakistani capital of Islamabad for a five-day Islamic summit.

Reuter adds from New Delhi: Mr. Ramachandra Dattatraya, the Indian Foreign Secretary, left yesterday for talks in Kabul with President Babrak Karmal and other Afghan leaders on the latest proposals for a settlement in Afghanistan.

The Mediterranean's problems are so serious that it is being treated as a test case of whether states can act together

petrochemical plants in the Rima area. The noxious waters off Piraeus are spreading out, driving the fish out to sea and the clam shells off the streets of Athens. The Sea of Marmara and the Gulf of Izmir are other trouble spots.

Eight years have passed since an international conference in Stockholm argued that the Mediterranean's problems were so serious that it should become a test case of whether states could act together. The United Nations Environmental Pro-

gramme was charged with the task, and four years ago Mediterranean states signed an initial convention in Barcelona. Since then, a North-South split has developed. The spur for the countries in the north was the need to protect the tourism industry in what is the world's largest tourist basin. But, from the southern Mediterranean, Algeria asked why it should be expected to pick up any bill or cleaning up pollution created by the northern Mediterranean countries.

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UK NEWS

GKN Sankey closure will cost 930 jobs

By Arthur Smith

A GKN SANKEY factory is to close and 930 jobs are to be lost before the end of the year in response to depressed demand from the automotive industry, the company said last night. Many motor-components companies are reviewing labour requirements and there are already fears that the industry could lose a further 300 to 2,000 or more from its workforce. Lucas Electrical is scheduled to hold more talks with union officials next Wednesday, against a background of fears that the company may be looking to lose 2,000 jobs. Willmot Breedon, which supplies locking mechanisms and bumpers, has opened negotiations with shop stewards for reduction of at least 300 workers at its two Birmingham factories. Main impact of GKN's cuts will be at the Telford factory, which makes pressings, such as wheels and tractor and lorry cabs. About 688 of 5,500 workers must go. The Cable Street factory, Wolverhampton, will be closed, with loss of 130 jobs. A similar number of workers there

were made redundant last January. The 950-strong labour force at Bilton will be reduced by 130. GKN Sankey said the action was necessary because of decline in the motor industry. Sales forecasts had turned down. Ford, in what is likely to be first of the summer round of price increases, announced last night that the cost of its cars will rise by an average 4 per cent from June 2. Ford raised prices by a similar amount in February. Cost of the Fiesta 950 will rise from £2,824 to £2,868, including car tax and VAT. The Granada 2000L will go up from £5,917 to £5,999. Early announcement of the rises was interpreted in the trade as an incentive to increase sales in the remaining days of this month. Competition for car sales is vigorous in a market which remains slack after the buoyancy of the first three months of the year. Sales dropped nearly 30 per cent last month compared with April last year.

Ultramar to refit refinery

By Ray Daffier, Energy Editor

ULTRAMAR, the UK-based independent oil company, is to spend about £56m (£615m) on improvements to its Quebec refinery at St. Romuald, near Quebec City, in Canada. The work will entail installation of a catalytic cracking unit which will enable the refinery—operated by Ultramar Canada—to increase its yield of petrol and other high-grade products. It should also enable Ultramar to use heavier grades of crude oil in place of more expensive high-gravity crude. Last year the refinery's throughput averaged 72,431 barrels a day. Ultramar said yesterday that it had decided to go ahead with the "modernisation" of the refinery following assurances from the Canadian Federal Government that it would receive an assured supply of Western Canadian crude oil at a volume and price comparable with Montreal refineries. In the past, Ultramar's Canadian refineries relied almost exclusively on imported crude oil. However, rapidly increasing world prices have made this arrangement uncompetitive compared with refineries using Canadian oil.

Courtaulds to shut two spun weaving plants in Cumbria

By Sue Cameron, Chemicals Correspondent

COURTAULDS, the troubled textiles giant, plans to shut two more factories, both in Cumbria, with a loss of 870 jobs. This means Courtaulds has announced redundancies of just over 2,000 in less than three weeks. The group has begun a 90-day consultation with the trade unions about the conditions of the closure. The latest closures are spun weaving factories at Workington and Carlisle. Courtaulds said yesterday that the two lost £1.2m in the last financial year. A rise in imports of fabric and finished clothing, plus strength of sterling, were blamed. Last week Courtaulds announced that it would shut a fibre-producing plant at Carrickfergus, Northern Ireland, with a loss of 560 jobs. The week before it said it would close three Lancashire mills with a loss of 750 jobs. In the past 18 months Courtaulds has cut its work force by 8,420. The Workington and Carlisle plants are part of the group's Samuel Courtauld division, which has three other spun weaving factories in Co. Durham, at Preston, Lanes, and in Yorkshire. Production at Carlisle and Workington was cut to 80 per cent of capacity last August, and further to 40 per cent in January. The two plants weave man-made and natural yarns into undyed apparel fabric. Courtaulds said that this was a product for which there was no market. In the present trading conditions it would be "unrealistic" to expect all sections of its business to be highly profitable. Loss-making factories, with no viable future, had to be closed. The group intended to concentrate on its more successful operations. It refused to say if further closures and accompanying job losses were likely in the near future. West Cumbria, where British Steel announced last week closures that will lead to loss of 700 jobs, has an unemployment rate of over 10 per cent, almost twice the national average. Courtaulds's results are due to be published in two weeks' time. Last year the group made pre-tax profits of £64m.

£500m a quarter deficit on balance of payments

By David Marsh

THE DEFICIT on the current account of the UK's balance of payments has been running at a quarterly average of more than £500m over the last few months. This is slightly below the figure implied by the latest Treasury forecasts released with the March Budget, which projected a deficit of £1.5bn for the first half of 1980, dropping to £1.55bn in the second half. In the latest three months, from February to April, the deficit dropped slightly to £516m from £531m in the previous three months. The visible trade deficit grew to £666m from £648m, although Britain approached self-sufficiency in oil during this period. The oil deficit fell from £135m in the November to January quarter, to £8m.

Exports of goods excluding oil and erratic items—ships, North Sea oil installations, aircraft and precious stones—rose 1½ per cent by volume during the latest three-month period. Imports fell back 2 per cent. The surplus on invisible trade—services, interest profits and dividends and transfers—is estimated at £50m a month during the latest quarter. These figures will however be revised. In the final quarter of last year the surplus was down to only £71m, and it is believed to be on a declining trend. The terms of trade fell by 1½ per cent in the latest three-month period, but rose in April after a decline since the middle of last year. This largely reflected the impact on import prices of the recent sharp fall in the silver price.

BALANCE OF TRADE

	Exports £m seasonally adjusted	Imports £m seasonally adjusted	Exports Volume seasonally adjusted 1975=100	Imports Volume seasonally adjusted 1975=100	Terms of trade Unadjusted 1975=100	Oil balance £m
1978 1st	8,390	9,823	126.1	113.4	105.0	-625
2nd	8,574	9,862	121.0	109.1	104.5	-419
3rd	8,933	9,401	122.5	115.0	106.1	-497
4th	9,072	9,278	122.5	112.9	106.5	-458
1979 1st	8,373	9,961	109.0	116.9	107.0	-235
2nd	10,458	11,144	135.3	128.9	106.4	-229
3rd	10,641	11,134	129.8	128.1	106.8	-158
4th	11,017	11,762	129.3	128.9	103.7	-157
1980 1st	11,847	12,570	131.4	126.7	100.7	-126
Feb.	4,133	4,359	136.8	129.1	100.6	-52
Mar.	3,835	4,011	127.8	122.8	100.6	-100
April	3,885	4,149	127.0	127.6	102.0	+44

* Ratio of export prices to import prices

Source: Department of Trade

AURORA PROVED 'INDIGESTIBLE'

Hasty moves halted Dunbee expansion

By Caria Rapoport

THE PRINCIPAL cause of the failure of Dunbee-Complex-Marx was its problems in the United States, a group of creditors and shareholders was told yesterday. Mr. David Freeman, of solicitors D. J. Freeman, speaking at a creditors meeting of the events which led to the appointment of receivers in February. He also gave details of the rescue plan devised by the company and its advisers, which was presented to the Bank of England but rejected by the principal secured creditor, the Midland Bank. Mr. Freeman said DCM had decided to enter the U.S. market in 1976 by acquiring Louis Marx, at that time one of the world's largest toy manufacturers, which in the previous two to three years had been making losses. Within 12 months of acquiring Louis Marx, DCM's management turned the U.S. operation into modest profit. "Unfortunately" Mr. Freeman continued, "rather than wait and consolidate minor profits into major profits, the company embarked on the acquisition of Aurora Products, another U.S. toy company. "It was this second American acquisition which finally proved to be indigestible, and it is apparent with the benefit of hindsight that following this acquisition, the group's management both in the UK and the U.S. concentrated on the integration and rationalisation of the two businesses too quickly." Mr. Freeman said the company had decided in the three months between April and July 1978 to close all the Aurora facilities and integrate them into the Marx factories. "Unfortunately, the timing of the acquisition of Aurora and its integration into the Marx business was misguided. In retrospect it resulted in insufficient attention and financial control being paid to the original Marx business in the U.S." Although the management took a variety of measures

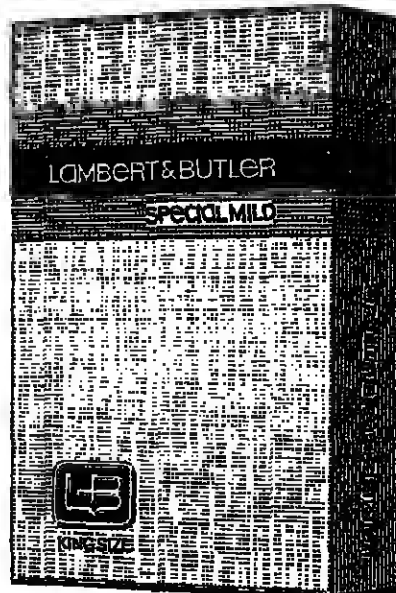
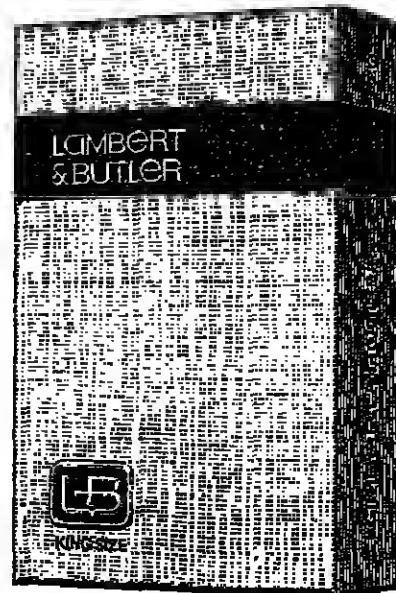
aimed at correcting these problems, DCM's difficulties continued to mount. In November 1979, Mr. Freeman's firm was asked to advise on the group's U.S. troubles. By this time Marx was running at a very substantial deficit and desperately needed working capital. Efforts to sell DCM's interests in the U.S. were intensified, but on February 1 this year an involuntary petition was filed against Marx by its unsecured creditors under the U.S. Federal Bankruptcy Code, effectively bringing these negotiations to an end. As it became clear that the group's difficulties in the U.S. would have a serious effect on the UK parent, "an all-out effort was made to formulate a plan which would allow DCM to continue on a reduced, but hopefully profitable, basis," Mr. Freeman reported. The plan, which was eventually approved by the board, proposed, among other things, the sale of shares in Martlet and the subsequent sale of Hornby division of Rover. It was considered by the board and its advisers to be financially viable. Talks fail "Had the plan been implemented, the board considered, on the advice of Coopers and Lybrand, that the equity available to shareholders would be upwards of £5m," said Mr. Freeman. The plan was put before the Bank of England, which had agreed that a meeting of the major lenders from overseas could take place on February 22 at the Bank. "Unfortunately, it was not possible to obtain the support of Midland Bank and accordingly the Bank of England withdrew," said Mr. Freeman. The directors therefore asked the various subsidiaries of the Midland to appoint receivers to go. The receiver of the company is negotiating with several parties who are interested in acquiring parts of the group.

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H.M. Government Health Departments' WARNING: CIGARETTES CAN SERIOUSLY DAMAGE YOUR HEALTH

Pension funds' duty 'to members, not industry'

BY CHRISTINE MOIR

THE PENSION funds should not be required to direct large sums of money into British industry, Mr. Denis Davies, Opposition Treasury spokesman, told the annual conference of the National Association of Pension Funds in Brighton yesterday. Their overriding duty was to their members.

Mr. Davies thought the problems of British industry were caused not by lack of funds for investment but by the use of those funds.

His view is diametrically opposed to that of the TUC, which is expected to produce a minority report within the Wilson Committee's report on financial institutions.

The TUC is believed to want the Government to establish a national investment bank which would call upon 10 per cent (£350m) of the annual income of the financial institutions to invest in British industry.

Mr. Davies told the pension fund managers that the Government should encourage investment in industry by issuing high levels of gilt-edged

stocks, which would be taken up by the funds and whose proceeds would be deployed by the Government where needed.

But Mr. Davies expressed concern at the high level of overseas investment by the funds now that exchange controls had been abolished.

"Consideration should be given to stopping pension funds from investing more than 5 to 10 per cent of their funds abroad," he said. "Pension fund assets should be used for the benefit of the British economy and British industry and not to finance the activities of our foreign competitors."

Mr. Davies also said the funds were now so large and so influential that they needed to be regulated by statute. He would recommend that the next Labour Government introduce a Pension Act similar to the Insurance Act administered by a new quango headed by a registrar of pension funds.

He opposed self-regulation or the creation of a "City Watchdog," which he regarded as undemocratic. Mr. Davies acknowledged possible pitfalls in legislation that was not widely drawn but the funds should be required at least to publish "completely audited accounts."

The NAFF adopted a code of practice on disclosure of information to members of pension schemes. It lays down as a "quasi-statutory" requirement that fund members should be entitled "to inspect on request"

● Annual audited accounts
● Actuarial valuation reports
● General information about investments or insurance contracts.

The code of practice also covers desirable minimum standards for protecting new entrants to schemes, "early leavers" and details of the effects on pension schemes of company mergers.

The code was overwhelmingly adopted on a show of hands, but there had been considerable discussion on the key issue of disclosing audited accounts and annual actuarial statements.

An amendment designed to prevent these documents being available on request was narrowly defeated by 159 to 134.

Investigation sought into British Shipbuilders deals

BY WILLIAM HALL, SHIPPING CORRESPONDENT

PRESSURE IS growing for an official investigation into two recent shipbuilding deals involving British Shipbuilders and Harland and Wolff.

In both cases the Government-owned yards made almost-minute price reductions on already heavily subsidised ships before foreign buyers would accept delivery.

The vessels are remnants of a 1973 deal in which Maritime Fruit Carriers (MFC) ordered £300m-worth of ships from UK yards in a few weeks at the height of the last shipping boom. MFC collapsed. The orders were either cancelled or taken over by other shipping companies.

The Greek Niarhos Group took over contracts for two very large cruise carriers (VLCCs) at Scott Lithgow in Scotland. An American group, Coastal States Gas Corporation, took over contracts for two 330,000-dwt ultra large crude carriers (ULCCs) being built at Harland and Wolff in Belfast. All four vessels were delivered late.

In the case of the Niarhos Group, in particular, substantial price reductions were sought as condition of final delivery. In 1978, the 285,000-dwt World Score was delivered and the initial price of about £20m was reduced by an unquantified amount believed to be about £3.5m.

About Christmas last year the Niarhos group took delivery of the second VLCC, the World Scholar. The initial price of about £22m had already been reduced by £5m, from the Government's shipbuilding intervention fund, and because the ship was late it is under-

stood that the price was reduced by a further £4m.

Mr. Michael Grylls, Tory MP for North-West Surrey, vice-chairman of the party's industry committee, has written to the Parliamentary Public Accounts Committee asking for an investigation of the circumstances surrounding sale of World Scholar.

"It is a major scandal for the UK taxpayer to be making a present to Niarhos of £3m on a ship now worth £30m," said Mr. Grylls.

Mr. Grylls said he also wanted to know more about cost to taxpayers of the two ULCCs built for Coastal States. They left Britain on their maiden voyage last week.

The first vessel, Coastal Corpus Christi, was completed in February, 1978. The second, Coastal Hercules, was completed in August, 1978.

However, Coastal States refused to take delivery, claiming that the vessels were not built to specification. In the summer of 1978 the dispute was put to arbitration. This continued until the end of March, 1979.

The two ships cost about £64m but because of the depressed state of the world market for large tankers, shipping brokers estimate their current value is no more than about £35m.

Marine arbitration is an expensive business, often costing parties as much as £15,000 each day.

British Shipbuilders is also involved in another long-running arbitration case with a customer. Ellerman Wilson Line refused to take delivery of a roll-on/roll-off ferry in February last year.

Work to resume at Isle of Grain power station

BY PAULINE CLARK, LABOUR STAFF

THE Central Electricity Generating Board yesterday effectively withdrew its threat to other construction sites in Britain—although it later put the plan on ice pending possible further intervention by the TUC.

The issue, which has developed into a major inter-union row involving the leading engineering, electrical and construction trade unions, is expected to be discussed at a meeting of the TUC committee on general purposes committee on Monday.

Mr. David Barnett, general secretary of the GMWU, yesterday asked for a personal intervention by Mr. Len Murray, TUC general secretary, to persuade the other unions to remove "trainee" ladders on the site.

But Mr. John Baldwin, construction section general secretary in the Amalgamated Union of Engineering Workers yesterday attacked the GMWU for waiting in its bonus payments claim "not just more of the cake, but the whole bakery."

Other unions have also expressed impatience with the lack of progress in a dispute which has long threatened the livelihoods of their members working on the site of what is planned to be the biggest oil-fired power station in Europe.

The withdrawal yesterday of the CEB's earlier instruction to pull out in sympathetic industrial action some 8,500 of its ladders working on other major construction sites in Britain—although it later put the plan on ice pending possible further intervention by the TUC.

About 600 jobs have already been lost on the site this year because of a still-unresolved dispute with the General and Municipal Workers' Union over bonus payments for 27 of its trainee insulation ladders who have now left the site after a nine-month strike.

The dispute has highlighted what the Prime Minister recently dubbed as a major national scandal because of its spread to other major sites in Britain and the GMWU is insisting on open-ended cash payments as part of its own national agreement.

The union yesterday expressed anger at the decision to employ ladders in other unions in spite of what it claimed was an agreement that only the GMWU should be represented in this field.

Early yesterday, it threatened to pull out in sympathetic industrial action some 8,500 of its ladders working on other major construction sites in Britain—although it later put the plan on ice pending possible further intervention by the TUC.

Eight newly trained ladders started work for Babcock and Wilcox last week despite a turnout of GMWU pickets, and 11 more will continue their training on site from yesterday with GEC.

They are expected to be paid a basic of £1.77 an hour with a bonus which could amount eventually to another £4 an hour.

The GMWU, meanwhile, is claiming £6.05 an hour or £242 a week while the CEBG offer rested at present at £4.80 an hour or £198 a week.

The CEBG has also argued that it cannot allow open ended bonuses because of the danger of leapfrogging pay claims and related disputes which have already affected progress on the Kent site.

The GMWU said yesterday, however, it was "in the business of protecting our members" and accused the CEBG of a public relations exercise in suggesting that trainees with little experience could replace its own members with a four-year apprenticeship behind them.

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Councils seeking more power to help small businesses

BY ROBIN PAULEY

THE ASSOCIATION of Metropolitan Authorities is urging the Government to give local authorities more power to help small businesses employing fewer than 100 people.

Mr. Michael Heseltine, Environment Secretary, has agreed that a joint Government-local authority associations working party should start work immediately and report in July with recommendations on how better to help small businesses.

The AMA has been formulating its proposals for more than a year. They include:

- Enabling local authorities to provide 90 per cent loans for purchase or lease of land, or for building work (present limit 75 per cent);
- Provision of loans for general industrial purposes, which could cover the buying of plant and machinery, or development costs for part of a project;
- Interest-relief grants for loans granted in either of the above ways;
- Site-preparation grants; grants towards rent; removal grants for companies moving into a new area; rent guarantees; loan guarantees on land, building and plant; loans and grants relating to common ownership and co-operative enterprises; power to acquire shares.

Mr. Godfrey Taylor, outgoing AMA chairman, said: "These businesses are crucial for regeneration of our inner-city areas. Present legislation empowering local authorities to help in developing such enterprises is a patchwork-quilt which stifles initiative."

"We want legislation to complement existing regional and industrial policies and avoid the necessity for local Acts."

Mr. Taylor said the AMA committee may decide to hold a hearing before reporting to the Minister of Transport. The closure cannot take place unless the Minister consents.

The six-mile Essex line, carries only about 650 passengers in each direction every week day and makes a loss, London Transport has asked Essex County Council for subsidies to offset the loss.

Central Line will finish at Epping to cut losses

LONDON TRANSPORT has given formal public notice of its plans to seek closure of the loss-making Epping-Ongar section of the Central Line. Notices have been posted at stations along the Central Line and advertisements are being published in the Press.

If there are objections, the Transport Users' Consultative Committee may decide to hold a hearing before reporting to the Minister of Transport. The closure cannot take place unless the Minister consents.

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Toll protest as second Thames tunnel opens

THE SECOND Dartford Tunnel, built at a cost of nearly £37m, was opened to traffic yesterday.

The tunnel has taken eight years to complete and is an integral part of the M25 London orbital route, linking Kent with Essex.

However, this improvement in this cross-Thames link has not eased irritation over ever-increasing tolls. Mr. Tony Lee, the Royal Automobile Club's director of public affairs, yesterday called for the abolition of such charges.

He said: "It is nonsensical to continue to require payments of tolls at many estuarial tunnels and bridge crossings in the country's strategic road network, for it is in no way achieving the original objective—to provide toll-free crossings within a fixed period."

Many motorists who drive through the Dartford tunnel from north of the Thames to the Channel ports pay tolls at the tunnel but pass free of charge over the Medway crossing on the M25 further along the route, he added.

Mr. Lee said the tolls are a "barrier to free movement" and that the Government should consider abolishing them.

At the same time, he saw hopeful signs for the company. The new decade would be even more difficult economically for the car industry than the late 1970s, he said. The rate of growth in all car markets was slowing down; this had begun in the U.S. and several European countries and was now beginning to be felt in the UK. There were also problems with

increased petrol prices and the strength of the pound, which made exporting difficult.

The corporate plan envisaged the allocation of £430m in government funds for BL in the years ahead, but the company had asked for only £300m for the year 1980-81. The minister emphasised that the progress of the plan could not be maintained if cash flow fell far short.

There had been a sharp comeback in BL sales in March which, if it could be maintained, would help to provide a firm basis for the launching of the new Metro. There was also evidence that BL's investment in the two new truck series was coming to fruition.

Mr. Leslie Huxford, a Labour industry spokesman, said some form of protection would have to be given to BL to meet the challenge of increasing car imports. He criticised the Government for providing finance only year by year.

Mr. Morrison Dunbar, president of the National Federation of Building Trades Employers, said yesterday that there was a growing tendency, particularly in the Midlands, for local authorities to insist that contractors kept tenders open for acceptance far beyond a reasonable period.

"Contractors are operating on a firm-price basis for periods of 15 months or more from the original tender date. This would be iniquitous at the best of times, but when inflation is running at about 20 per cent and building costs are rising at 2 per cent per month, it is totally unrealistic," Mr. Dunbar said.

The federation will try to persuade the Government to accept the principle that the 12-month period for firm-price tenders should run from date of tender and not date of acceptance.

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BL plan 'offers path through quicksand'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

A NEW WARNING about the difficult problems facing BL was given in the Commons yesterday by Mr. Adam Butler, Minister of State for Industry.

Opening a debate on the BL corporate plan for 1980, he said: "I believe this plan is like a path through a quicksand. It offers a way to secure the future out of a hazardous present."

Mr. Butler said the plan was a "step towards a more secure future" but that it was "not a magic wand" and that the company must continue to work hard to improve its performance.

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Change in tender guide sought by building trade

BY ROBIN PAULEY

THE BUILDING industry is pressing the Government for urgent changes to guidelines for the time contractors must leave open tenders for local authority work.

Mr. Morrison Dunbar, president of the National Federation of Building Trades Employers, said yesterday that there was a growing tendency, particularly in the Midlands, for local authorities to insist that contractors kept tenders open for acceptance far beyond a reasonable period.

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Liverpool papers to appear next week

BY JOHN LLOYD

THE Liverpool Post and Echo, the city's morning and evening papers, will be published again next week following the settlement of a dispute with the National Graphical Association.

The union's 212 members refused to return to work after settlement of the dispute between the NGA and the provincial papers, claiming back pay for the period of their suspension.

However, the management said last night that the chapel (office branch) had now agreed to return without further payment. The Liverpool Echo will publish on Monday evening, while the Post will publish on Tuesday morning.

Talks between the International Publishing Corporation (IPC) and the National Union of Journalists' chapel covering the group's business press, book publishing and magazine division will continue on Monday in an attempt to resolve a three-week dispute which has seen the suspension of 1,500 journalists and most of IPC's magazines.

At present, only three small ITV companies—Tyne Tees, Grampian and Channel—have signed ENG agreements with the ACT.

All other ITV companies are engaged in talks with the union on the new techniques, but all said yesterday that there was no firm timetable attached to the talks.

Thames Television said that it had two ENG units ready to pull out in sympathetic industrial action some 8,500 of its ladders working on other major construction sites in Britain—although it later put the plan on ice pending possible further intervention by the TUC.

About 600 jobs have already been lost on the site this year because of a still-unresolved dispute with the General and Municipal Workers' Union over bonus payments for 27 of its trainee insulation ladders who have now left the site after a nine-month strike.

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Have you noticed how luxury, like beauty, is often only skin deep?

If you're easily seduced by thick carpets and comfy seats, there are any number of 'luxury' cars to choose from.

If, however, you believe there's more to luxury than meets the eye (or for that matter, the posterior), the list of candidates rapidly shrinks.

Two cars that bear closer scrutiny are the Vauxhall Royale Saloon and Royale Coupé. Their distinctive looks owe as much to the science of the wind tunnel as to the art of the designer.

Both cut through the air with the minimum of turbulence and, as a result, with minimal wind noise.

A tapered, sloping bonnet and, below the bumper, an air dam reduce aerodynamic lift at speed and underline

the cars' remarkable stability and impressive roadholding.

Even the door mirrors are specially contoured to deflect spray and dirt away from the side windows.

Road noise, too, is suppressed not just by layers of insulation, but by the suspension itself.

Springs and shock absorbers, for example, have been

mounted closer to the wheels than is customary.

They react faster and more effectively to the smallest movement and successfully iron out those irritating small bumps that can be so intrusive.

While the bodywork itself has a natural resonance too high to be excited by road vibrations.

The engine, a silky 2.8 litre 140 bhp six-cylinder unit, is additionally steadied by two diagonally positioned hydraulic dampers for further smoothness.

And automatic transmission is, of course, standard on both cars (with manual available at no additional cost).

Inside, the Royale is one of the few cars that allows the driver to achieve not just a good driving position, but the ideal one.

You can adjust the driver's seat for height, as well as for reach and rake and the steering wheel is tiltable.

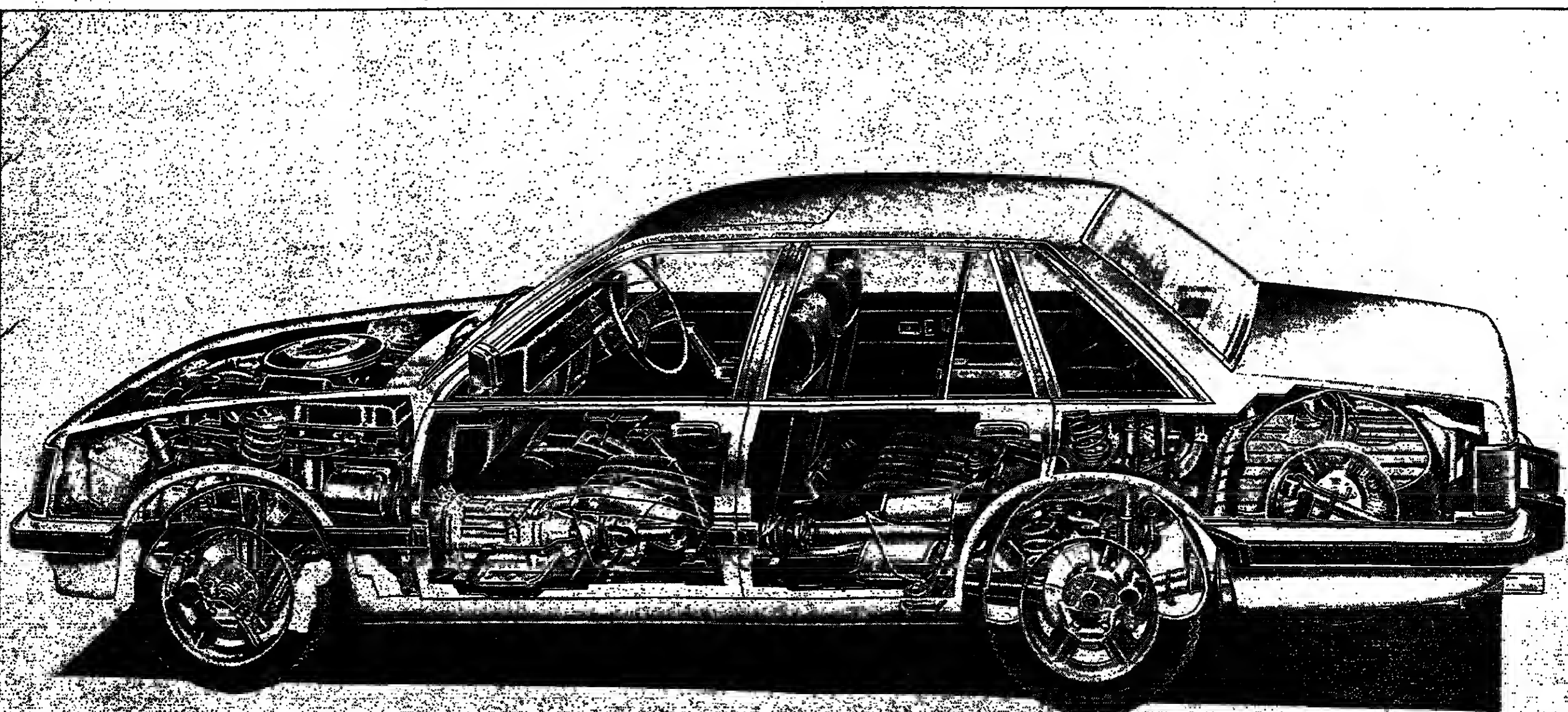
As you'd also expect, the steering is powered.

Examine a Royale at your nearest Vauxhall dealer, and don't simply be seduced by the lavish specification.

You'll find it's one of the few cars where luxury is more than just a question of appearances.

Luxury is built in, not bolted on.

AIR CONDITIONING IS THE ONLY OPTIONAL EXTRA AT £825. SALOON £10,100, COUPÉ £10,647. PRICES, CORRECT AT TIME OF GOING TO PRESS, INCLUDE CAR TAX AND VAT. DELIVERY AND NUMBER PLATES EXTRA.



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Proven identity

Three-quarters of the way through the retail season, Marks & Spencer looks as if the tricky trading conditions of the past year or so are separating those groups which adopted a settled strategy from those still struggling to establish a clear identity.

After the figures for the year ending in March, Marks & Spencer, which showed a market leader fighting to maintain volume and with profits on only

Cost pressures

F. W. Woolworth, which seemed to be having moderate success in pursuing a similar policy of switching away from food in the year to January, came out with a disastrous set of figures for the first quarter, showing pre-tax profits 60 per cent lower than last year.

The comparison was somewhat distorted because of the extremely good figures in the comparable period in 1979.

TER months of excitement at those UK oil exploration companies involved in North Sea projects, the spotlight focused this week on Carlisle, Capel and Leonard, an unassuming company which has been around since 1859.

Although primarily a refining and marketing group, Carlisle attracted the attention of the public because of its onshore find just 150 feet from the shore in Hampshire.

When news first seeped out in this month that Carlisle had found "hydrocarbons" at Basingstoke near Basingstoke, the shares leaped 43p in price to 153p. This increased market capitalisation of the company from £43 to more than £100, has ready funds for a new producer of solvents and specialty chemicals.

This week, Carlisle announced that it had doubled pre-tax earnings to £62.7m and its plans to sue further onshore oil exploration in the South of England. It also disclosed that it had joined with ENOC and BP in three groups which would go to apply for licences in the eleventh round of North Sea oil.

John Leonard, the chairman, said yesterday that the onshore find of the Humble Grove prospect would allow Carlisle to pursue a policy of diversification into the oil exploration business. But he emphasised that investment in oil, both onshore and offshore, will proceed in an extremely cautious manner.

Carlisle was set up in 1859 by Mr. Eugene Carlisle, a chemist who wished to distil minerals out of Scotland. A few years later, Mr. Capel came from the City to organise the group's finances.

In 1872 the business was acquired by Mr. John Leonard, the great-grandfather of the present chairman. His son was approached by Herr Daimler, who asked the company to develop a fuel for his new internal combustion engine; it came up with something called "petrol," a substance it stopped making in 1939.

But the main part of the business after 1939 became the refining and marketing of hydrocarbon solvents, naphtha and light heating oils.

Carlisle first entered oil exploration in the 1970s with participation in the fourth and fifth rounds of North Sea bidding. It financed these ventures from its own funds, but has obtained financial assistance from BP, which "farmed in" to Block 21/2.

The farming arrangement allows a company to exchange

MINING

PAUL CHEESERIGHT

than exists at the moment. The companies have two things in common. The first is that MMC has a strategic holding in each, although in the case of Bidor it is through Trooh. The second is that the companies all have their tin mines in the state of Perak.

the migration of tin comes from London to Malaysia. Mining for the most part is a niche, specialised affair. But at the end of last week it was becoming clear some of the big players of the market capitalisation on the basis of pre-suspension prices of over £120m. But there seems to be rather more to it than that.

which took hold of the Australian and gold shares earlier this year—but interest seemed to be building up among the smaller operators. Not that there has been any difficulty in Perak so far, the squabbles between company and state and between state and federal Government have been in Selangor.

Government agency. The minority holding is owned by Chortor Consolidated, whose expansion plans in Selangor

Consolidated—and with the other smaller producers—Mat Tin Dredging, Lower Mat Tin Dredging and lastly, the Malaya Tin, an unlisted subsidiary of French Mines.

ear's high of 450p and
thern Kinta was 5p off its
s peak at 250p. And the
of the market was moving
a well.

How the merger would take

Tin dredging in Malaysia: vexed relations

The signs are that with consumer spending severely constrained, wage-cost pressure rising and the strong pound deterring tourists, the whole sector will be under strain in the current year and some of the individual results may be disappointing.

The contents of the bid document will make interesting reading, not least to the Christy Board which is still somewhat

Carless itself farmed into the Humblly Grove area in 1978 when it acquired a 28.125 per

200,000, one tenth of the average North Sea well. Onshore exploration has only become commercially viable in the past two years as world oil prices have soared.

Carless became the operator and asked Candecca (28.125 per cent) and two American com-

Carless requested an additional £300,000 budget, bringing total exploration costs to £600,000.

excitement

One of the problems about Malaysia, from the point of view of international companies has

By contrast, Australia in recent years has stabilised its foreign investment policy and been prepared to interpret flexibly well-publicised guidelines about foreign ownership.

This week Empress Nacional siderurgica, the Spanish steel group, agreed to take a 5 per cent stake in the Oak Creek steel project in Queensland. It

The Spanish group joins
Hisco-Hoogovens from the
Netherlands and Finsider from

...ions between the states and the federal government.
expansion.

	Price Y/day	Change on Week	1980 High	1980 Low	
T.T. Ind. Ord. Index	425.7	- 0.8	472.3	404.9	Subsidized trading
Narrow Chemicals	74	-14	116	74	Awaiting annual reports
eech (International)	33	- 7	48	33	Annual loss/no dividend
British Sugar	202	+14	214	127	
Broken Hill Proprietary	675	+60	715	585	Int. in Woodside gas project
Christy Bros.	33	+10	33	20	Cash bid of \$1p
Clifford's Dairies	195†	+83	280	79	Increased bid from Unilever
Costs Pazoos	49	+ 6	50	40	Satisfactory results
Cudans	45	+11	45	25	Persistent speculative support
General Accident	344	-18	252	212	Disappointing 1st quarter figs.
Gaping Cons.	390	+60	400	318	Supporting bid
Hampton Areas	375	+55	395	260	North Sea oil/gas interests
Hecht Lloyd International	238	+21	256	217	Results/200% strike bonus
Hessup	35	-10	51	35	Mid-term deficit
Imray Products	17	- 7	34	15	No support
Jacobsen (Bernard)	348	+43	352	245	Chairman's annual review
Johnson Inds.	42	- 9	59	42	Poor annual results
Kell Transport	374	+25	410	314	N. Sea gas find/oil price rises
Klebens (UK)	920	+105	947	404	Exploration losses good again
Southern Malaysian	450†	+55	450	340	Proposed merger
Southpole Gas. Inv.	145	-50	215	124	Absentive bid talks

† Suspended.

the dark as to who is really making the offer. The broker will put its name at the head of the official offer and might even be said to be acting as a principal in this affair, a most unusual role for a broker, whose raison d'être is essentially to act as an agent for investors.

But the firm has made it clear that this was the only way it could put the deal together, bearing in mind that it had a growing portfolio of clients apparently willing to take a stake in the recovery of the ailing Chelmsford-based engi-

neers. The necessity of maintaining secrecy in the price-sensitive pre-bid period meant that it was easier for the broker to head the bid rather than unting up as principals its 50-odd institutional clients understood to be willing to take equity in Christy. The takeover Panel is said to have been satisfied that the City Code has been observed.

The two sides still hardly know each other. The partner fronting the deal for the broker, Mr. Roger Abrahams, met for the first time with the Christy board on the day of the offer announce-

ment, such a new, and challenging position might entail. Mr. Dyer quickly resigned his Armstrong post.

The bid is worth 30p per share and the price, in a admittedly thin market, has since remained at a slight premium. Christy's track record, its career of successive management changes make it questionable why so many institutions should apparently be so interested.

Premium predicament

The first quarter results from the three major composites

Unlike many other UK companies which make use of rights issues and assorted schemes to raise funds, Carless has managed to finance itself mainly through small dollops of

AN facility. This £1m went to S. exploration, which started pay for itself with around 100,000 of income last year. Carless plans a second well the Dorset-Hampshire basin in the north of England. The oil and gas division and is to join the Christy board if the deal goes through. He may even act as chairman. Yet Armstrong itself had no hesitation in pointing out the conflict of interest that exists between the company and the interest rates remain high and the GA put on 25 per cent. The outlook for profits this year is still growth from Royal, a 10 per cent rise for GA and a decline from CU.

Watching and waiting

[illegible]

with growing uncertainty about what the outcome will be. In maintaining the Dow Jones industrial average in the low 800s but struggling hard to

IAN HARGREAVES

Labour difficulties at Mount Newman, the Western Australia iron ore operation, have prevented the shipment of ore

Between Thursday and Friday lunch-times, three-month Treasury Bill rates advanced by a whole percentage point to almost 9 per cent. The fact that

would like more overseas investment. The Mission has visited West Germany and France and goes on to Italy.

likely, as seems more probable, that its expectations have been confirmed, indicating the possibility of some cautious progress in the period

Monday	805.20	- 0.60
Tuesday	814.89	+ 11.69
Wednesday	819.62	+ 2.73
Thursday	822.53	+ 2.91

start to be reversed fairly soon, some market analysts took it as another sign of impending Fed weakness in sticking to its anti-inflationary posture. What Mr. Volcker was doing in fact was to make it clear that the Fed was not going to let the market think it was going to ease up on its tight money policy.

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FINANCE AND THE FAMILY

The price of a freehold

BY OUR LEGAL STAFF

I am the leaseholder of the house I live in, which has a rateable value of £425 pa. I have lived here over five years and wish to purchase the freehold. The ground rent is £25 pa. The lease has 103 years unexpired. Can you please advise me on what basis the price for the freehold is determined? There is a complex three-stage system of valuation provided by Section 9 of the Leasehold Reform Act 1967. We cannot give you a valuation, you would require the advice of a surveyor. However, where there is as long a period of the lease unexpired as you have, the price will probably approximate to the value of the £25 rent capitalised, ie, somewhere in the region of 12 years' purchase or £300.

Gifts to grandchildren

I am resident in the UK and wish to give £2,000 absolutely to each of my two grandchildren (aged 18, British subjects, permanently resident in US, with no other income) to accumulate at compound interest until they are 18. Can you please tell me the simplest way this can be done so that gross interest is received? You must decide whether you are prepared to treat your grandchildren, or whether you feel that you must ensure that there is some control over the money even after they are of full age (under English law).

Inherited property and CTT

My wife recently inherited her mother's estate. This included her house which was let on a short term tenancy agreement with six months to run when my mother-in-law died. Since then this agreement has been renegotiated to run for a further year. The house was professionally valued at £24,500 for CTT, but the District Valuer has now proposed that this be reduced to £22,000 on the grounds that the tenant may not have been willing to have vacated the property at the end of his original agreement. The effect of this revaluation will be to transfer the £16,300

The price of such control would almost certainly be 45 per cent UK income tax on the accumulated income (at 1980-81 rates), under section 16 of the Finance Act 1978, year by year. Subject to a check on the U.S. tax position, the simplest thing would be to make outright gifts to the children, paying the money to their legal guardians (under English and U.S. law).

Establishment of a loss

I have considerable capital gains and I should like to establish a loss on some Fairhair Lawson shares by a "bed and breakfast" deal. My stockbroker states that as the shares are suspended, he is unable to arrange such a deal. Would you please tell me if there is any way in which I can achieve such a loss? You are locked in, for all practical purposes probably. Possibly you may be able to arrange a sale privately, but this must not be to a connected person, as defined in sections 82(3) and 83 of the Capital Gains Tax Act 1979. This rules out your wife, your siblings, ancestors and descendants, your wife's siblings and ancestors (and descendants), and the spouses of any of these excluded relatives. It also rules out family trustees, broadly speaking. We do not recommend a private sale which is followed by a repurchase (for reasons which were outlined in a reply published in our Finance and the

difference from exempt rates of CTT to, in all probability, 30 per cent rate of capital gains tax, because since probate valuation its market value has risen by about £10,000, when we sell the house which we intend to do so. Have we a case against the District Valuer to insist on the £24,500 valuation based on vacant possession at the end of the original tenancy agreement? We think that you should maintain at the previously agreed valuation was correct. The tenant after all might have left if required to do so; and the tenants rights to remain (if any) ought to have been taken into

Family column on July 7 last year, under the heading "No bed and no breakfast").

Treasury stock sales

I own some Treasury Stock which I bought over a year ago which are showing a profit and also two more holdings of the same stock bought more recently—within the past year—which are showing a loss. If I sell any do I have to average out the acquisition price of the lot or can I elect to sell those bought more than a year ago separately? A sales of Treasury Stock will be identified primarily with the earliest acquisition within the previous 12 months. There is no pooling (averaging), but there are rules restricting allowable losses. It is a pity you did not give us more precise details, as we could then have given you a simpler and more helpful answer.

VAT on kitchen units

We are having a fully fitted kitchen installed by a contractor shortly. I notice that the estimate we have received from the contractor shows VAT and also the units are included at 15 per cent VAT. Should they not be zero-rated? The VAT position depends on who supplies the kitchen units and whether or not the units are additional units. Any units which are additional to those already in your kitchen will be zero rated, providing they are supplied to you by the company which installs them. If they are supplied by someone else, only the cost of the installation will be zero rated. Any

units which replace old units, even if the new ones represent a substantial improvement, will not be zero rated and nor will their installation.

Tenants and licensees

I let a two bedroomed furnished flat on a six months tenancy to A, with permission to share with another person, B. The rent being paid by A. The six-month period has now expired with A giving up the flat. B wants to take over the tenancy, to which I am not willing. Has he any rights to stay on? B has no right to stay on unless the terms of your contract with A were such as to enable B to claim that he too is a tenant (ie, a joint tenant with A, or his subtenant, rather than A's licensee).

Life insurance tax relief

I understand that as a resident of the UK I would receive a 15 per cent relief on the premiums of a life insurance policy which I intend to take out. If, at some future date, I leave the UK and become resident elsewhere and, furthermore, have no longer an income to be below the tax threshold will I lose the 15 per cent relief and have to pay the gross amount of the premiums? Yes, the right (under paragraph 5 of schedule 4 to the Finance Act 1976) to withhold 15 per cent of a life assurance premium is restricted to policyholders who are resident in the UK, for tax purposes—except for servicemen and others. Up to April 5, 1981, (subject to the

guarding, for example by Insurance Policies. In this instance it seems unlikely that your daughter will have children and that would of course affect the premium. In view of the high expenses involved in this procedure and the limited amount of Trust funds we doubt whether it would be advisable to proceed. However in view of the complexities encountered in this field of law we must emphasise the importance of you obtaining specialised Scottish legal advice.

Terminating Scottish trust

My husband died five years ago, leaving the interest on the cash of his estate to me for life. I have two sons (both with children) and one daughter aged 38, married seven years ago but she has no family as yet. In the will the money is to go to the sons' families if my daughter has no children. There is only about £14,000 at stake in shares, etc., and the will was made in Scotland. Is there any way I could close the estate?

A trust can be terminated by agreement, however where there are persons as yet unborn who have a contingent right to the trust fund the approval of the Court of Session must be obtained to the arrangement. The statutory provisions for such a revocation or variation are found in the Trusts (Scotland) Act 1961. It is provided that the Court of Session can approve such an arrangement where they are satisfied that contingent interests are safe-

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

enactment of clause 28 of the Finance (No. 2) Bill) the rate of relief is 17½ per cent, of course. As a non-resident, you would have no UK tax threshold, in principle, but you might be entitled to a measure of relief, including life assurance premium relief (under paragraph 4 (2) of schedule 4 to the 1976 Act), as a Commonwealth citizen. You might like to ask your tax inspector for a copy of the free booklet IR20 "Residents and non-residents: liability to UK tax".

Value of an estate

How can I find out the value of an estate, and get a copy of a will? Is there a standard charge for supplying this information? You can obtain the information only after probate, but then the value of the estate and a copy will be found by a search at the Principal Registry of the Family Division, Somerset House, Strand, London, WC2R 1LD. A search fee of £2 should be sent to the Record Keeper.

Rates and fines

I have heard that if one does not pay one's rates until one is fined one is taken off the list of possible jurors for ever. Is this so? We know of no authority for the proposition which you mention, nor do we think it correct. You cannot be fined for non-payment of rates, but a distress may be levied and a warrant for such distress is issued, on the application of the rating authority, by the magistrates. Having such distress levied is not a disqualification for jury service.

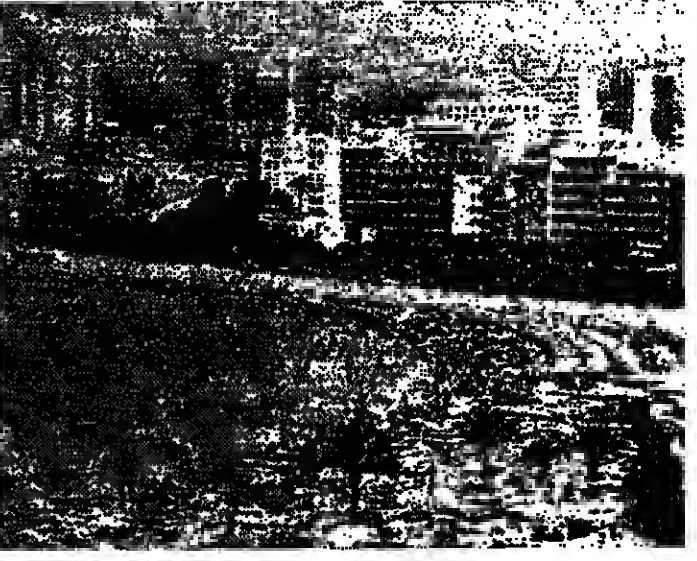
Topping up for your holiday abroad

MY COMMENTS a few weeks back about some of the insurance problems of car hire abroad have provoked a number of inquiries. Two questions, variations on the same theme, were these: "Since my UK policy can be extended to provide very wide, if not completely full cover when I take my car abroad, can I get my insurers to provide similar cover abroad when I use a hired car on holiday?"

"Can I get my own motor insurers to 'top up' the local cover, to bring it up to what ever they would provide me in respect of my own car?"

The answer to both questions is, I fear, quite definitely "No." By virtue of EEC laws, British motor insurers have to provide, without charge, cover sufficient to meet local legal liability requirements in many European countries on British cars and vehicles going across the Channel. On payment of extra premium they will give British policyholders wide short period cover on the cars and vehicles they normally insure here.

But this is as far as any British motor insurer is prepared to go—continental motor



ment I am ignoring the effect of local laws (such as we have in Britain) requiring insurance to be arranged with an insurer authorised to do business in the country—where such laws exist, a car hire operator allowing a client to drive protected by a foreign policy might well be running himself into considerable legal difficulties, even if no accident were to happen.

Top up, in theory, should not offend on either count—since the car hire firm would have its basic cover available with its own insurer, while the hirer would have extra personal protection beyond this.

In fact, a degree of top-up cover is available to the Briton going abroad, not in the motor market, but via the holiday travel insurance packages that are so readily available. Such packages provide fixed compensation for death and for disablement of the persons insured. Usually several units of cover can be bought to build up a substantial degree of protection for each member of the holiday party. Limited fixed benefit personal accident cover is not a complete substitute for unlimited injury liability compensation cover, but it can go a long way to filling the gap.

In holiday package policies there is a medical expenses section, and subject to the financial limits this is as apt to cover treatment for motor injuries as it is to pay say for operative treatment of an appendicitis victim.

Again, such packages provide baggage and money cover on wide "all risks" terms, without excluding loss of or damage to personal property in or from motor cars.

So three of the benefits that the "comprehensive" motor policyholder enjoys in the UK can be substantially replaced via a holiday package policy covering not just himself, but all the holiday party.

Many holiday package policies provide personal legal liability cover to the extent of £5m per person insured and for any one incident giving rise to a claim. But this legal liability cover, like personal liability insurance provided under a household policy, is subject to a wide range of exclusions, and it does not normally provide protection for claims arising out of the use of motor vehicles.

So the hirer driver who has a motor accident cannot look to his British holiday package insurers to protect him from liability compensation claims, either wholly or for amounts in excess of what the hire operator's local insurance will pay.

Most hire operators abroad provide some degree of vehicle damage cover—the size of the damage excess and the cost of buying it out may be standard, even subject to some local tariff, in some towns and countries, and widely variable elsewhere. But some degree of "buy back" is normally possible, often for the local currency equivalent of around £2 a day.

INSURANCE

JOHN PHILIP

ing risks are otherwise for the continental based motor insurers who presumably have the statistical ability to get premiums right in light of local experience and who should have sufficient local organisation efficiently to service claims.

At the other end of the insurance line, most car hire operators, I reckon, would not be prepared to forego even the limited cover they have arranged with known local insurers, on the hirer's undertaking to provide better cover backed by a British insurer.

To enter into such an arrangement even occasionally would be to complicate their streamlined hiring methods, and put them in the bands of foreign insurers in time of trouble. In making this practical com-

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SHARE EXCHANGE PLAN

YOUR SAVINGS AND INVESTMENTS

Eric Short examines the wealth of data in a recent report on traditional life policies

A profitable survey

A CONVENTIONAL with-profits contract, marketed by the traditional life companies, offers a safe, steady savings medium for investors not willing to accept entirely the ups and downs of the market and who like the guarantees inherent in these schemes.

This is all very well but when there are more than 70 life companies currently marketing with-profits contracts, how does the investor and his adviser make his choice? A recent survey by the magazine Money Management provides the basic information for many of the answers.

The first service provided by this survey is to show just how important it is to select one of the better companies. The

difference between the top and bottom performers is wide enough to warrant careful selection.

Should selection be based on past performance? The survey shows the actual maturity values for 10 year, 15 year and 25 year contracts maturing on February 1, 1980. The table shows the best and the worst performers.

In selecting a company on past performance, you are assuming that a good life company with a good record is capable of maintaining its position. You are assuming that there is a certain "esprit de corps" within these companies. This is something which the survey puts to the test since it shows the top performers

over each of the past 10 years.

Some companies consistently crop up in the tables. Others that were good performers 10 years ago have disappeared from the top places.

Alternatively, should selection be based on projections of maturity values assuming the rates of bonuses are maintained by the life companies? The survey provides comprehensive details of projections provided by the life companies. Here there are problems, as the survey points out.

Some life companies, particularly in Scotland, refuse to include terminal bonuses in their projections. Their case is that such bonuses, paid at maturity, are less stable than the normal reversionary bonuses declared at least once every three years.

If the life company does not quote a terminal bonus figure, then the survey simply leaves that column blank in its presentation. Thus to draw up a table of projected performance, the investor has to make his own enquiries from those life companies not providing data.

There is no doubt that terminal bonuses are more volatile and can be cut as market conditions dictate. This needs to be taken into account in assessing the strength of the ultimate projection.

The survey assists by showing the proportion of maturity values accounted for by terminal bonuses. In general, if two life companies give similar projections, the one with the lower terminal bonus portion is likely to be more stable in its maturity values.

Should the selection be based on surrender values? Again the survey compares surrender values for certain cash-in periods. Other things being equal, the investor should select a company that is more generous

MATURITY VALUES ON FEBRUARY 1, 1980 GROSS MONTHLY PREMIUM £10 ON THE LIVES OF A MAN AGED 25 AT OUTSET

10 years	25 years
Top	
Equitable Life	1,936
London Life	1,930
RNPFN(a)	1,816
Friend's Provident	1,806
Provident Mutual	1,795
Bottom	
Zurich Life	1,414
Swiss Life	1,317
Phoenix	1,325
Economic	1,249
PSA	1,248

Norwich Union	1,902
Standard Life	1,936
CMG	1,783
Sun Alliance	1,855
Equity & Law	1,830
Fed. Mutual	1,209
Reflex Mutual	1,440
Sun Life	1,444
Phoenix	1,249
Economic	1,291

(a) not available to the general public

in its payment of surrender values.

But the acid test of any investment is whether it has matched inflation. The survey shows, for the first time, a comparison of the average return on the best ten-year with-profits policy with the average rate of inflation over the corresponding ten years.

This table is probably the most interesting one in the whole survey, and yet the one likely to be ignored by the insurance brokers and other advisers. A 10 year policy maturing in 1972 offered a yield, allowing for tax relief on the premiums, of 11.11 per cent against an average inflation rate of 4.8 per cent.

Inflation over the ten years to 1980 averaged 13.3 per cent, but the net annual return was only 12.95 per cent. Without tax relief, the position would have been much worse so it is not surprising that the life companies have fought hard to retain this privilege.

Mr. Bill Proudfoot, the general manager and actuary of Scottish Amicable, feels strongly that none of these methods is complete for selecting a life company. In his opinion, expressed on more than one occasion to various Insurance Institutes, brokers should also look at the profitability of life companies.

He points out that the surplus of a life company, out of which bonuses are declared, depends on two factors—the success of

the company in its long term investment performance and the success of the company in containing expenses. He recommends that intermediaries should investigate both features and sets out formulae for evaluating each.

These calculations come easy to an eminent Scottish actuary, but it is doubtful whether even the High Street accountant could undertake these calculations for 73 companies. Mr. Proudfoot argues that these figures should be calculated automatically by life companies on a consistent agreed basis.

His company, having gone from midway in the top 10 in a few short years, could happily show such figures. Other life companies would be more reluctant, but it is a worthy ideal and would be useful in a survey of the Money Management kind.

Criticism of such a comprehensive survey is only made with great reluctance, but there are two defects which should be corrected. Using a premium of £10 per month gross is acceptable for showing past performance. It was a reasonable level of investment even 10 years ago. But it is far too low to show future projections. It puts too much emphasis on the expense loadings.

Secondly, what the investor also wants to know is how with-profits contracts have fared against other forms of investment, especially through building societies. Perhaps the next survey will fill these gaps.

Robert Cottrell looks at typical company AGMs

Bread and circuses

"WE'RE NOT interested in bigger dividends, we're interested in 'human issues'!" Audible dissent from a sector of the room which feels that dividends are being treated too frantically at this point. A couponholder's counterblast is launched.

"Mr. Chairman, I think the people here using this meeting as a political platform should go to Speakers' Corner, because they aren't interested in the business of the company."

Mr. Chairman is Sir Anthony Tuke, and he maintains a polite but grumpy smile and wonders how much longer all this can go on. One of my fellow journalists is sleeping the sleep of the just.

The room fomenters like a psychologist's experiment in which a surfeit of small animals has been packed into an alarmingly coloured room for an undue length of time.

The occasion is the annual general meeting of Barclays Bank. From all over the world, small shareholders, stock brokers, social workers, vicars and somnambulant journalists have flocked to Lombard Street.

Will the bank reveal its transactions with Rhodesia during UDI? No, it would not be fruitful at this time. How many black managers supervise white employees in South African branches? Does encouraging investment in the homelands imply political recognition?

An apologetic question floats hopefully across the room. Please will the bank pay interest on current accounts? Sir Anthony determined not to be caught low by this cunningly domestic googy, responds appealingly that it is "not a black-and-white question."

Ultimately, of course, nothing happens. The auditors like the figures, and are re-appointed for



another year. The directors are re-elected, the share capital is increased, the dividend is approved, and shareholders are welcomed to join the directors for tea afterwards.

Political issues make Barclays a crowd-puller year after year. Whereas at many general meetings the directors outnumber the shareholders, and business is a 10-minute interval before piling into the votes of thanks and gin and tonics, at least the bank has captured the imagination of its public.

The popular company AGMs provide bread or circuses. Barclays is a circus. A classic "bread" AGM is, pleasingly, Ranks Hovis McDougall.

After this year's session at the Queen Elizabeth Hall, hundreds of hungry investors

queued for their free carrier bag full of Mr. Kipling apple pies. Mothers' Pride bread, cherry tart, mustard, and the like.

The joy of the circus is that rabbits can be pulled out of the dustiest-looking hats. Doers imagining that auditors are re-appointed with the regularity of Albanian politicians would have had a rude awakening at Sir Anthony's 1979 general meeting when the displacement of Turquand's chairman a classic stalling match. Shareholders reposing too much trust in the unassailable wisdom of the Board to set dividends will watch wide-eyed. Lophor's struggle to wrest a few more coppers out of House of Fraser.

The chairman of a major public company is accustomed to controlling a workforce of thousands. The frequent incidence of a military or civil service background gives additional fluency to the crushing or turning aside of the unwelcome inquiry. But there are times when the shareholder should not be discouraged.

What of the first annual general meeting of Kitching Queen in January, when 1979's profits of £1.8m evaporated into losses, and the preceding day saw the chairman's departure? It lasted 15 minutes. Not a question was asked. The directors were unanimously returned.

The only excitement came after the meeting closed, when the ex-chairman brother kept up the delivery of an impromptu plea for support and confidence.

It is to be hoped that the shareholders were so well informed that it came as no surprise to them to see the £3.3m forecast loss turn into £2.3m at the interim stage, and retail operations booked in at £3.3m sold off for £2.1m.

Making granny happy

A LANDMARK was passed yesterday which will be of considerable interest to elderly savers. The announcement from the Department of Employment that inflation during April nudged forward a further 3.4 per cent will understandably leave a few long faces in Westminster and Whitehall.

But for thousands of old people who rushed out to buy the brand new index-linked National Savings Certificates Retirement Issue when they first hit the street in June 1975, the latest spiral in the cost of living means that they have at least doubled the nominal value of their money.

The repayment value of "retirement certificates" or "granny bonds" as they are sometimes called, is directly linked to the Retail Prices Index. The RPI itself has doubled over the past five years while those who cash in their holdings now or after the fifth anniversary of purchase pick up a fixed bonus of 4 per cent on the original price.

This bonus takes the repayment value of a £500 certificate "maturing" next month comfortably over the £1,000 mark.

A nominal return of 100 per cent over five years (or an annual compound growth rate of 14.1 per cent) is pretty impressive by comparison with other returns over the period, even though in real terms it represents no more than breaking even. Given that the proceeds of this particular investment are entirely tax free, "granny bonds" now stand out as one of the best savings bets in recent times.

A sum of £500 deposited in a bank account in June 1975 would now be worth about £740 if all interest was reinvested gross—an average compound annual interest rate of 8.3 per cent. The same money left in a building society ordinary savings account would be worth about £720 by the end of this month (thanks to an average annual compound growth rate of 7.6 per cent).

Inflation, the bogy of economic growth and stock market performance, has given holders of retirement certificates a better nominal rate of return than most other investors.

Somewhat confusingly, the RPI figure applicable to granny bonds in a particular month is always two months behind. Thus the estimated 130,000 old people who bought certificates in June 1975 started with a base of 129.1 (the RPI for April that year, which was announced in May).

The RPI figure announced yesterday (based on April prices this year) is 260.8—a fraction above the 258.2 needed to double the value of early retirement certificates through index linking alone.

A £500 certificate bought in June 1975 and cashed in after the fifth anniversary next month (when April's figure will be applied) will therefore be worth £1,010.07 plus the £20

excluded, you simply multiply the purchase price (say £500) by the repayment RPI figure (say 260.8, as yesterday), and divide this by the purchase RPI figure at the time 1975. Answer £1,010.07.

Retirement certificates, of course, are only available to men aged 65 or over and women aged 60 or over. The maximum holding is now £1,200. Anybody, however, can take out the Government's other index-linked contract Save As You Earn (SAYE).

This consists of 60 regular monthly payments of a fixed amount up to £20 a month, each of which is individually revalued in line with movements in the RPI between the month of contribution and the fifth anniversary.

The first SAYE contracts were started in August 1975 and current estimates show that 60 contributions of £20 (£1,200 in total) should be worth something over £1,700 later this year.

Although five years have to elapse before the bonus is added, retirement certificates can be cashed in after one year. Inflation on a year-to-year basis is expected to fall in July once the effect of the big increase in Value Added Tax disappears.

There are few signs, however, that in the short term rising prices have been banished from the system. Over five years on the other hand, savers at least think the outlook will be

healthier

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BOOKS

Katherine the Great

BY C. P. SNOW

The Life of Katherine Mansfield
by Antony Alpers. Jonathan Cape. £9.50, 446 pages.

Dr. Antony Alpers's new book is an expanded version of his earlier biography of Katherine Mansfield. He has now been able to include material which, for reasons of discretion and of concern for the feelings of people still living, he had previously felt obliged to exclude—which was the act of the decent and honourable man that he shows himself throughout his writing. Now that he is freed from most constraints, he has produced a book which is a marked improvement on the first.

He has the complete equipment to write this particular life. He is himself a New Zealander by origin, and knows the background of Katherine Mansfield's youth at first hand. Sometimes this makes him hypersensitive to the rebarbative and imagined, which a colonial writer met in England. In Katherine Mansfield's time—born 1888, died 1923—That hypersensitivity, though, is a fault on the right side.

Alpers is knowledgeable about, and committed to, the modernist movement in the arts in which his heroine took a part, though slightly off stage. He has what seems to me excessive love for that movement in general, and for her own writing; but that too is a fault on the right side, at this distance in time. He is able to give something like a group biography of aesthetic England before and just after the first

world war, and illustrates with enthusiasm what they intended to do and hoped they were doing.

On artistic concerns his enthusiasm may run away with him: on human ones he nearly always keeps his head. He is naturally tolerant and perceptive about men and women. He doesn't condemn easily, but he isn't over-sloppily compassionate. He doesn't suggest that he would have trusted all the participants in the story as his most confidential friends.

Throughout he has had an unusual difficulty, not unknown to biographers, but curiously exaggerated in this case, in reaching anything like reliable evidence. There seems to have been no one really close to the events who had even a casual interest in the naked truth. Katherine Mansfield herself, though formidably courageous, very gifted, and perhaps even more spirited than gifted, was a compulsive liar. Often she seems to have lied for no particular reason, just for virtuosity. Middleton Murry had one of those convenient memories which compelled him to forget anything he found it desirable not to remember. Ida Baker, who loved Katherine Mansfield, not without a certain return for 20 years, was not a motiveless liar, but had her own reasons (often to denigrate Murry) for distorting the truth. Lawrence was seeing it all, and himself, through a dark veil of blood consciousness (compare Gudrun Crick-Birklin in *Women in Love*), and so on. It would take someone with the detective clarity of Tolstoy to make any

sense of that ensemble.

Just to add to the complications, both Katherine Mansfield and Lawrence, were given to pathological rages. This may have been associated with their tuberculosis, which in both of them was diagnosed very late. We have almost forgotten what the disease meant to the young of their time. Today they would presumably have survived to a reasonable age; with what effect on their art and lives is anyone's guess. As it was, some of Lawrence's letters are so crammed with hate as to be flatly incredible if they had not been written; and Katherine Mansfield's denunciation of the faithful Ida Baker are not much better.

Yet it is hard not to admire Katherine Mansfield. She seems to have had a highly charged sexual temperament, though some of its expressions may have been another display of phthisic excitability. It is interesting to note that in all her letters (splendid letters when not enraged, with a family resemblance to Lawrence's, and with both some of the best things they ever wrote) there is only one reference to direct sexual action, and then saying that her cousin Elizabeth (of the German Garden) couldn't tolerate it.

Katherine Mansfield was astonishingly brave, so brave that it makes most of us ashamed of complaining about our own misfortunes. In her last few years—in her early thirties—she was desperately ill. What she had wanted in literary fame



Katherine Mansfield: pathological rages

was at last beginning to happen, but she knew that her death was likely. She was lonely. She was in spite of the little-me-not a person who attracted help. She was constantly short of money.

She went on writing. She even had the spirit to do her best for others. There is an episode, perfectly true, which ought to be remembered, though it isn't mentioned in Alpers's book. Fittingly, the first book of the young William Gerhardt, had been turned down by over a dozen publishers. He wrote to Katherine Mansfield, referring to their common love for Chekhov, and sending his manuscript. Within a fortnight, she had found a publisher for the young man's novel. That was only months before she died.

Thoughtful bodies

BY RACHEL BILLINGTON

How Far Can You Go?
by David Lodge. Secker and Warburg. £6.95, 244 pages.

David Lodge's new novel describes the changes which have taken place in the Roman Catholic Church in England over the last 25 years. It does this by following the lives of a group of Catholic students and a priest. They are first seen, in one of the many excellent set-pieces of the book, at mass in London. The year is 1953. They are attending the mass as members of the College Catholic Society. There is Polly, Dennis, Angela, Adrian, Ruth, Miles, Violet, Michael, Edward and Father Brierty.

Their preoccupation (leaving aside the priest) is with most undergraduates of their age, is first sex and second, a very poor second, work. The difference between them and others of their age is that sex is forbidden them by their religion. A chapter entitled "How they lost their virginities" contains a brilliant passage in which Dennis's slow progress towards taking Angela's virginity is described.

"In 1954 food rationing came to an end, Roger Bannister ran the four-minute mile and Dennis got his hand inside Angela's house and on to a brassiere cup."

The tone of the book is serious, tinged often with a rather bitter irony. David Lodge, despite entering the book with authorial asides, plays his own cards close to his chest. But one suspects he is writing of his own past suffering. The torments of moral strictures leading to the torments of moral doubt, leading to the torments of loss of faith.

The Church's entrance into the 1960s with Vatican II and the "Catholic renewal" is reflected in the changed attitudes of our characters. Ruth, now a nun, is the first in her convent to cast aside her medieval habit and don skirt and sweater. Her revulsion at her forgotten lumpy body is vividly drawn. Father Brierty turns against his parish priest whose sermons preach nothing but finance and starts on a long course of courses. Michael and Miriam, married to each other and still "good" Catholics, start new style masses and accept with joy that transubstantiation and virgin birth aren't quite what they seemed.

In short, renewal brings relaxation. "At some point in the 1960s, Hell disappeared." Then comes the papal bull, *Humanae Vitae*. Sex has, unsurprisingly remained a preoccupation, even within marriage. David Lodge is very good on sex. He manages to



David Lodge: changing premises

write about it without a change of style. Not so easy as it sounds. Many writers either become glibly lascivious, or controlled to the point of extinction. Control is of course, what it's all about. Before *Humanae Vitae* there was a general feeling that birth control would soon be a sin of the past. When the Pope restated the old teaching it hastened the changes. Dennis takes a lover. So does Father Brierty—in fact the same one, though not at the same time. How much further can you go?

David Lodge made all kinds of ambitious decisions when he planned this book. Firstly, he is writing a history of a particular religious experience. To a

Catholic of his generation like myself, it is totally fascinating. However, it was only after talking to an admirer of the book from a different religious background that I believed it could appeal to a wider audience. Secondly, Mr. Lodge has chosen to give almost equal weight to a large group of people many of whom are similar physically (same age), temperamentally (same religion) and culturally (same education). As the book progresses and their initial introduction recedes from the memory, this causes some confusion. On the other hand their shared ordinariness has the conviction of ordinary people beyond the eccentricities of fiction.

Comrade Kingalai 100 years on

BY ROBIN LANE FOX

Russian Hide and Seek
by Kingsley Amis. Hutchinson. £5.95, 240 pages.

"You have to hand it to the Russians," runs the current Oxford graffiti, "otherwise they'll come and take it." Kingsley Amis turns his wit on mid-21st century Britain where the Russians have taken the lot. His plot has a twist and a double-cross to it. Touches of nostalgia keep company with that particular note of youthful and unsure amorality which he handles most easily. Fifty years have passed since the Pacific. Those who believe in the Queen have "undergone corrective training that proved fatal in most cases." Whisky is only £10,000 a bottle and the Russian residents do at least know the choicer terms of old

English swear words.

Kingsley Amis knows his business through and through, how to strike the right pace, how to contrast moods and scenes, how to be funny with italics and how to deal with dialogue. He is particularly good on the slightly ghastly occasion, and it is always a relief to have been spared a part in his sex scenes. Russian England is at its best on these ghastly occasions, it's Romeo and Juliet, the gymnasts with Mrs. Korotchenko, the dreadful summer-parties where nobody notices the third-rate creaminess because they have never known anything different. For anyone who can bring off irony, the setting is a free gift. Some of its possibilities are picked up better than others, for at times the angle is less sharp and witty than its author seems to

think. It ought, I feel, to have been more cutting.

The plot centres on our Russian occupants, to whom the English are a stubborn hack-cloth, liable to believe that they invaded Europe (a single port) in 1944 or once ruled India (until the angry inhabitants chased them out). Marxism is agreed to have died around 2000 rather late, I would have thought. Instead, there is a stream of lawless amusements, a lack of principle and a mindless boredom to most Russians' lives. Others, no doubt, would have centred on the Russian impact on the English and seen the setting through English eyes. The interest here, is the other side of the picture, though it is not unpredictable once you consider it. A Festival to restore English culture is to be

the occasion of the young Russians' counter-coup against their own occupation. It all misfires, in the fullest sense of the word.

There is a tension, I feel, between the central character, Alexander, a young buck in the Amis tradition whose plans for the day keep the pace battling along, and the rather weak plot which puts paid to him without ever taking over the avenues which he has opened up. For me, this is a not unusual Amis symptom which marks the gap between his skills and his place as a major novelist. His fans are ardent, but those whom I know do not like reading books otherwise and tend to confuse Kingsley Amis and English literature. Russian England sees his gift at their best, but it eschews the range and humanity which would make it a book about people, not types.

Getting well once more

BY MARTIN SEYMOUR-SMITH

The Girl Green as Elderflower
by Randolph Stow. Secker and Warburg. £5.50, 150 pages.

The Left-Handed Woman
by Peter Handke. Translated from the German by Ralph Manheim. Eyre Methuen. £4.95, 95 pages.

The Healing Art
by A. N. Wilson. Secker and Warburg. £5.50, 273 pages.

The Echo Chamber
by Gabriel Josipovici. Harvester Press. £5.50, 152 pages.

The Sweet Shop Owner
by Graham Swift. Allen Lane. £5.95, 221 pages.

Randolph Stow gained a great deal of attention in the 1960s as the Australian novelist upon whose shoulders the mantle of Patrick White might fall. He was all too obviously influenced by White, but this was forgiven (in the whole) because it was still almost impossible to be an Australian novelist and not, in one way or another, fall under White's powerful spell. In retrospect he seems better than he seemed when his earlier novels first appeared: his successors are, for the most part, a sorry and pretentious lot.

He has not published a novel for some time. *The Girl Green as Elderflower* is quite different from its predecessors, is set in Suffolk (where he now lives, and where he has spent most of his adult life), and displays a new originality and a new confidence in himself.

The hero Crispin Clare, although only a young man of

24, has experiences which must in some respects match those of the author himself: Clara has suffered a breakdown of health in a tropical colony, and this happened to Stow (born in 1935) himself in 1960 (since when he has settled in Suffolk).

In order to get well, Clare sets himself, on New Year's Day 1961, the task of writing out in an ordered fashion three strange folk tales of 12th century Suffolk. All of his friends are familiar with this ancient terrain—but at the same time they live in the real world.

Clare finds himself torn between, or perhaps hovering in the void between, two distinct and yet connected worlds: that of President Kennedy's inaugural year, and that of Suffolk of the 12th century, in which magic is as natural as politics is today.

The resultant record, lucidly written in a prose that is sometimes beset with wonder, defies classification. One can tell that it is the work of a man who has had anthropological training (as Stow has), and who is possessed of a most unusual imagination—now more or less liberated from any of the old influences. The abrupt transitions from the one world to the other are beautifully and unobtrusively managed, and the book is admirably short—the author avoids ponderousness, which he has not always succeeded in doing in the past. A magical tale by a novelist who has more than fulfilled his early promise.

Peter Handke's *The Left-Handed Woman*, published in Germany in 1976 and shown as a film in 1978, will be familiar to

some readers already. It is more of a long-short-story, than a novel. Handke has shown a characteristic German impatience with all literary convention (in one of his plays the actors appear as themselves—I have not read or seen it, so I cannot quite work out how he manages this, unless the performances vary each time); but from the heart of his genuine anarchism he has something to say, and he also has a true interest in other people and not merely in himself.

This novel is about a 30-year-old happily married woman who suddenly feels that her husband is going to desert her. As she does not want to experience this, she asks him to depart immediately, which he does. She is at once liberated and lost, and Handke's exploration of her mood—which is raw-nerved and yet numbered—is of the greatest interest. *The Left-Handed Woman* is a fascinating example of the very odd and yet authentic state of mind which is characteristic of a large number of Handke's German and Austrian contemporaries (he was born in 1942 in Austria); it is desolate, desolating, and yet seems on the verge of discovering some set of real values. These don't emerge in Handke's work yet, but it will be interesting to see if they do.

The Healing Art, A. N. Wilson's fourth novel, is his most overtly serious: a woman nearing 40 discovers that she has cancer and has only a short time left. This is the story of the two decisions she makes, of how they fail, and of what discoveries she makes in the course of carrying them out. The writing is not up to the level of

the theme, which requires a good deal of nerve and inspiration. In fact, the result, though characteristically Handke, seems to have faltered and, at times, come to a stop: there are lapses into the kind of cliché familiar to readers of the fiction printed in women's magazines. This is decidedly not as good as the comic Wilson of *The Sweetshop Owner*, and one must hope that it is just one novel that missed its target.

That Gabriel Josipovici writes above the heads of his readers, even of all his readers, is a bit too much of a commonplace for his good health. But it is as well known that he has something interesting to say—and his critical writings are frequently admirably lucid and full of new insights. This is about a man recovering from a breakdown in a country house, and is much influenced by the late Ivy Compton-Burnett in that a good deal of it consists of acerb and apparently banal dialogue—and that the plot is highly melodramatic. The book is radiant with Josipovici's intelligence; but he still has a problem of presentation.

The Sweet Shop Owner is a first novel by a 31-year-old author who writes in a wholly traditional manner. It is about a man who has a sweet shop and a difficult wife, but who notices the third-rate creaminess—until he decides to discover "who he is" (as they now say) by coming to terms with his daughter, who is conventional in that she is precocious and difficult. It is a satisfying modest novel: a very good start, which I recommend.

Nixon the doomwatcher

BY DAVID BELL

The Real War
by Richard Nixon. Sidgwick and Jackson. £8.95, 341 pages.

Richard Nixon has gone on his way again leaving behind him in Britain a few new converts and a surprisingly large number of people who found him "not nearly as bad as expected" on television.

For them, and anyone else who is having second thoughts about Mr. Nixon, this book is a necessary corrective. Brimming with clichés, overlong and under edited, its potted history plods along often falling over itself with repetition.

Now and then, though, there are unexpectedly interesting passages particularly when the

former President warms to the theme of negotiating with the Soviet Union.

Nixon the negotiator—he lays out 10 negotiating principles for presidents which make fine sense—is much better than Nixon the historian or Nixon the old-time, fervent anti-communist. Perhaps, with Iran so much on our minds, it was the sense of this which earned him some approval on television. Just occasionally the sense of past presidential power—and of authority—broke through on the screen as it does in this book.

For the most part, however, this book features an unattractive, unconstructed Nixon taking his text from his old collection of old faithfuls—

Robert Moss, Brian Crozier, Malcolm Muggeridge, Paul Nitze et al.—and apparently quite relieved to have put the idea of détente behind him.

There is not a little irony here. The architect of détente—the first U.S. President ever to visit the Soviet Union—concedes that "the benefits originally expected have not materialised" from the strategic arms talks. It would have been different, he insists, if military spending had been stepped up. He saw, if others didn't, that détente is the "complement" of containment.

The need to contain the Russians is the main theme—just about the only theme—of the book. Mr. Nixon argues that the West has been fighting World War III for 30 years and is now losing it. If only, he argues, the U.S. had been allowed to finish the Vietnam war it might have been different.

Military victory was "in sight" in South East Asia, he says. With it the U.S. would have shown that it was not, as it seems now, "floundering, uncertain and irresolute." Now things have gone from worse to much worse. And perhaps it is naive to expect to find it—there is any admission or even suggestion that any of the national demoralisation on which Mr. Nixon harps might have had anything to do with him. Watergate, which so diminished the power and authority of the Presidency, is mentioned scarcely at all and then only as a reason why he was unable to do things. Instead the old, corrosive

hatred of opponents—particularly the Free-Press-ables—up. Here again are the "translators" ready with an opinion at the drop of a microphone who have done so much to destroy the cohesion and willpower of America's "leadership class."

Most of the analysis is irritatingly two-dimensional. For instance Mr. Nixon notes that the U.S. is now at the mercy of any power which can block off the Gulf—the "oil jugular." But he has little sense of the fact that a prime reason for this is that the U.S. itself sucked in oil imports recklessly and at an increasing rate all through his presidency. His "Project Independence," conceived after the oil crisis of 1973-74, makes President Carter's energy achievements seem almost gargantuan.

Still Mr. Nixon's central theme is once again in vogue. Many people, who never thought they would, now share Mr. Nixon's suspicion of Soviet intentions. Mr. Nixon himself obviously hopes that this book will establish him as a prophet whose time is coming once again.

Certainly those who surround Mr. Ronald Reagan think along the lines set out in this book. And his opponents—whether Carter or Kennedy—are suffering in the opinion polls from the fact that they have been unable to lay out a coherent alternative. The Nixon view at least has the advantage that it is simple and untroubled by too much subtlety. It is a package that has been a long time in preparation and it will not be surprising if it sells well.

HELEN MUIR

The Belles Lettres of Alexandra Bonaparte

Artful and funny... More than merely enjoyable, Helen Muir is quite as serious as she is deft and witty.
Martin Seymour-Smith, *Financial Times*

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PROPERTY

Other ways to buy and sell

BY JUNE FIELD

BUSINESS is terrible a south coast town estate agent said this week. "A lot of people are looking at property, but no one is buying."

Yet down the road another agent, who opens six full days a week, with actual foot an answering machine, telephone numbers to cover evening and Sunday viewing, reported a slow but steady turn-over, with an acceptable offer made after a Bank holiday viewing for a house that had been sticking for some time.

So why didn't the other firm open at weekends, the time when most families can get together to view? "No demand. We tried it once, and nobody came."

Yet it would seem that one reason why the latest crop of property shops and other alternative methods of house-selling are able to compete with the traditional agency, is that they are reasonably accessible at unsocial hours.

Otherwise they do almost exactly what the estate agent does—take a colour photograph of your property, put it with brief details in their window, advertise locally and give you a "for sale" board if you want it. Some send out details, and advertise, others don't.

One of the main differences is that vendors pay for the labour involved, whether they sell or not. The major advantage is that if a sale is achieved, the overall cost will be considerably cheaper.

In general the charges are

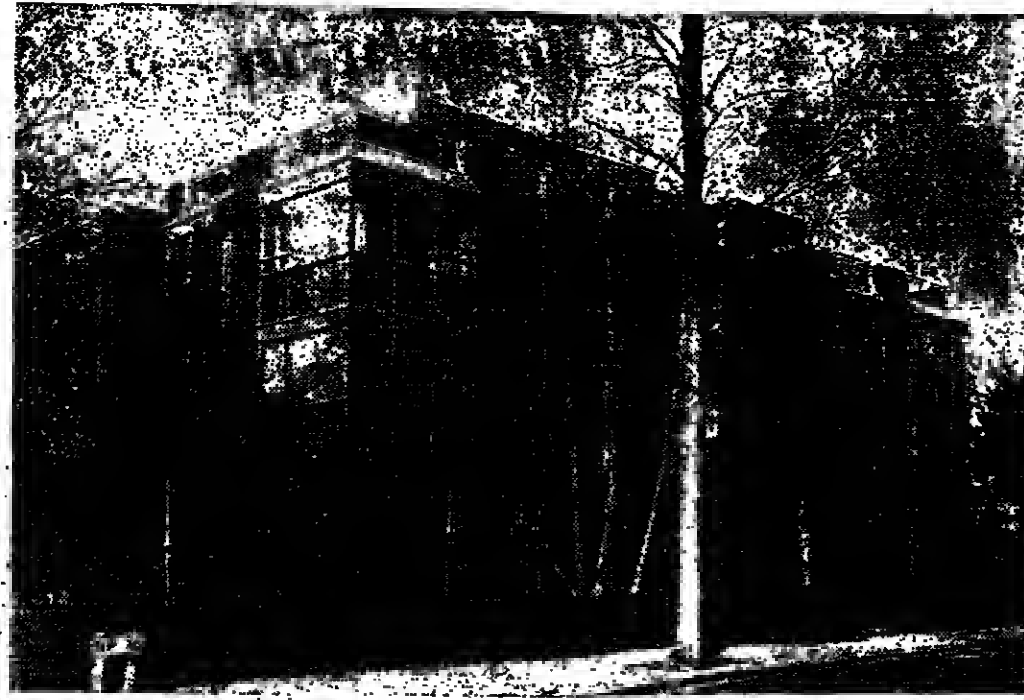
of about £180. Estate agents charge nothing if they don't sell a week, with a maximum successfully complete a sale, two or three per cent of the selling price if they do. On a £90,000 property, at the generally accepted regional rate of 2½ per cent on the first £15,000, 2 per cent on the balance, this works out at a commission of £875 plus VAT.

So what does an agent do to justify this charge? This question asked by Mr. John Thomas in an article in the *Chartered Surveyor*.

"Many people believe that we are simply brokers trading or dealing in houses. Estate agency in the UK is not a brokerage operation. A broker is a middle man taking a commission on a deal he has arranged between parties, without necessarily giving advice to either."

For a start Mr. Thomas suggests that charges should be described as "fees" and not commission. To give some form of basic guaranteed income, an additional one-quarter per cent should be charged by chartered surveyors as a non-refundable house sales fee, "which could encourage a better service."

A criticism levelled at the alternative selling outlets is that they do not provide any advice or back-up service. HomeLine, a computerised "personal introduction service for homes," started two months ago by Mr. Anthony Pearce, a 30-year-old chartered civil engineer, insists that they have



Penthouse at Parkfield Lodge, Didsbury, Greater Manchester, overlooking the Northern Tennis Club where the pre-Wimbledon competition is held, has two bedrooms and bathroom suites, a suede-lined television room, solarium, and roof garden with conservatory, illuminated fountain and waterfall. Brochure Michael Rains, Samuel Rains & Son, PO Box 10, The Crescent, Cheshire (061 491 0111), who is looking for offers in the region of £200,000.

answered this by the provision of comprehensive fact-sheets for both buyers and sellers.

If you want to know more about the 5,000 homes in Greater London it claims to have listed, contact Mr. Pearce, HomeLine, Freeport, London W11 8BR (01 221 3838). The latest idea is an "a la carte" service which includes showing people round houses for sale.

Computahome, opened about a month ago by Deborah Collinson at 5-9 Beadon Road, W8 (01 995 0696), also covers the Greater London area, and hopes to extend to the Home Counties later this year.

Seckers Property Shop, 49 Market Place, W11 (01 458 9085), run by an ex-estate agent, is owned by a northern company, Keyvis, which operates

franchise printing shops. The company's aim is to franchise 200 property shops in London and the Home Counties.

The Property Shop, 138 Station Road, Edgware, Middlesex (01-851 0595), run by Mrs. Jo Kloss and Mrs. Barbara Morris, opened within the last month. Its area is around Edgware, Hendon, Barnet and Boreham Wood in North London.

Two "supermarket" operations outside the London area charge £40 to take a property onto their books. Broadbeats are sent out regularly with details of properties which have been fed into a computerised word processor.

This week's Cotswold list includes a tiny picturesque Gloucestershire cottage, com-

plete with beams and open fireplace, £32,000, a 3-bedroom stone-built house plus a cottage converted from a 15th century water mill at £70,000 in Oxfordshire, and an 18th century flint house overlooking the Vale of the White Horse, £36,740.

Further details from Mr. Christopher Koenig, The Cotswold House Supermarket, 50 George Street, Oxford (0865 46851), and Mr. Alan Peek, Wessex House Supermarket, 2 Hillside Mews, Corfe Mullen, Wimborne, Dorset (0202 696394).

Estate agents of course, have been using computers for some time, and Savills, plus Aileen Davies and Hoddell, together with Computerfile, have just launched PACT—Property Agents Computer



Above: Eves, Pett, in 1½ acres half a mile from the sea between Rye and Hastings, has 3 bedrooms and 2 bathrooms, plus a 2-bedroom lodge-cottage for renovation. £57,500 complete, through Bruntons, 81 High Street, Battle, Sussex (042 46 3333).



Right: Horse Pond Sluice, Delf Street, in the ancient Cinque Port of Sandwich, has easy access to the Continent by the nearby Pegwell Bay Hoverport. The 5-bedroom, 2-bathroom Grade II listed house gets its name from the stream which originally provided the town's water supply in Edward's time. The stream was diverted by the sluice. For sale at £68,000 through John Montgomery, G. W. Finn and Sons, 18 Castle Street, Sandwich, Kent (0304 612147).

Team. Members pay a subscription of £500 a year.

"The response is increasing daily," Mr. Bill Gregory of Computerfile says. He is running PACT from 411 London International Press Centre, 76 Shoe Lane, EC4A. Mr. John Essery of Buckell and Ballard explained that the

computer system designed by his firm is able to produce, within minutes of a negotiator returning from a house-viewing, a list of all the potential purchasers for that property, and their phone numbers.

Buckell and Ballard backs up its computer service with its own newspaper, promoting properties in 16 offices throughout Oxfordshire, Berkshire, Buckingham and Wiltshire with a London office in Gloucester Place, W1.

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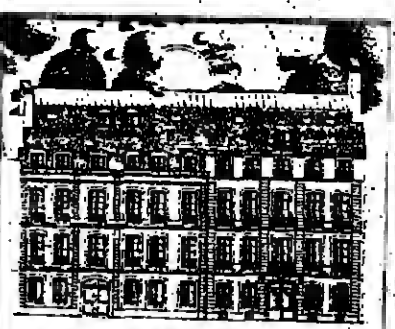
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مكاتبنا في لندن

HOW TO SPEND IT

by Lucia van der Post

It's too early to know yet what kind of a summer we're going to have but we British are nothing if not optimistic so, working on the assumption that it's going to be a scorcher, here are a few suggestions for making the palmy, balmy summer days more enjoyable . . .

IF YOU ARE lucky enough to have a very grand garden Stonework, which has a workshop at The Coach House, Warwick Hall, Warwick, Northamptonshire, offers a number of exceedingly attractive ways to enhance it. If you only have a very modest garden then Stonework has something for you too—the little group of sundials, sketched here, could do something for even a little urban patio, after all.

However, the selection Stonework offers, really comes into its own when it has a grand and generous area to play with. The company produces a very fine illustrated portfolio of drawings for those who are seriously interested which it will send for £1.50, but initially a wallchart is available free.

Stonework offers a range of cast-stone containers, architec-

tural elements and sculpture all made by hand from a material which, in the company's own words, "is formulated to retain the most pleasing and important qualities of quarried stone but eliminate many of its disadvantages."

In practical terms this means the items will not be damaged by severe weather, will mellow agreeably and will not be prohibitively expensive.

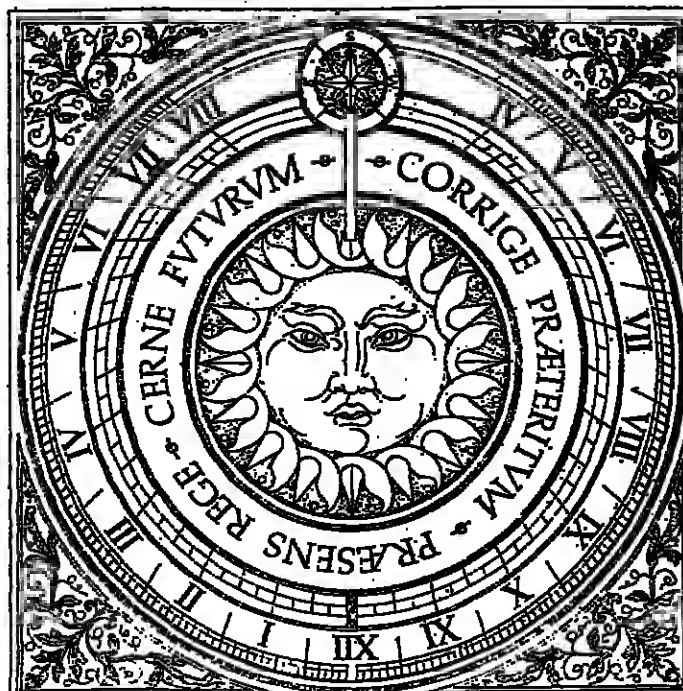
Stonework offers a good selection of balustrading of all sorts (simple Georgian, arcaded, Venetian and so on), as well as some very pleasing containers—a Saxon bowl, a Chinese bowl, etc. If you fancy a somewhat more elaborate garden or patio there is also a Roman pool, animated by eight "lively" (1) fountains, a mill stone (which is described as being a "powerful sculptural form") and a Renaissance table.

I see the architectural elements as being extremely useful to those who are planning landscaping on a large scale or to those who need to repair a hitherto grand garden that has fallen into a state of disrepair.

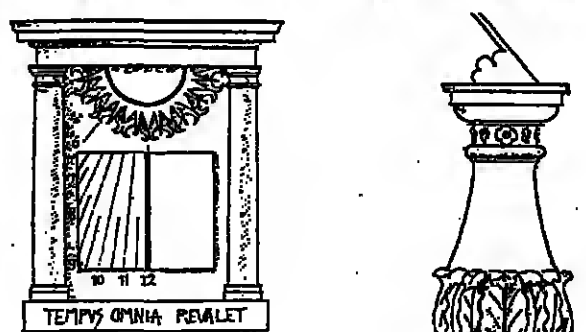
Anybody seriously interested in improving their garden would do well to send off £1.50 for the portfolio of drawings for they are very detailed and exceedingly well done.

Prices for the elements do not see into me high—for instance, the sun dial right, is 114 inches square and is £49.50, the Renaissance table is £150, the Chinese bowl is £71.50.

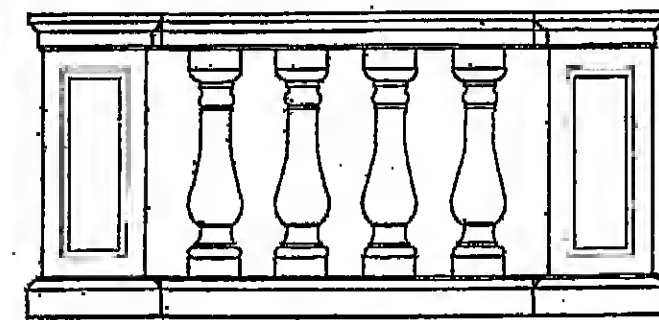
For the complete drawings or the free wallchart write to Stonework, St. Mary's Road, Market Harborough, Leicestershire (the office as opposed to the workshop).



Above, brass sundial, £49.50, which sits (below right) on pedestal, £60.50



Solid brass wall dial, above, 36 in high x 24 in wide, from £93.50; Georgian balustrading, below, £17 per foot run complete. All by Stonework.

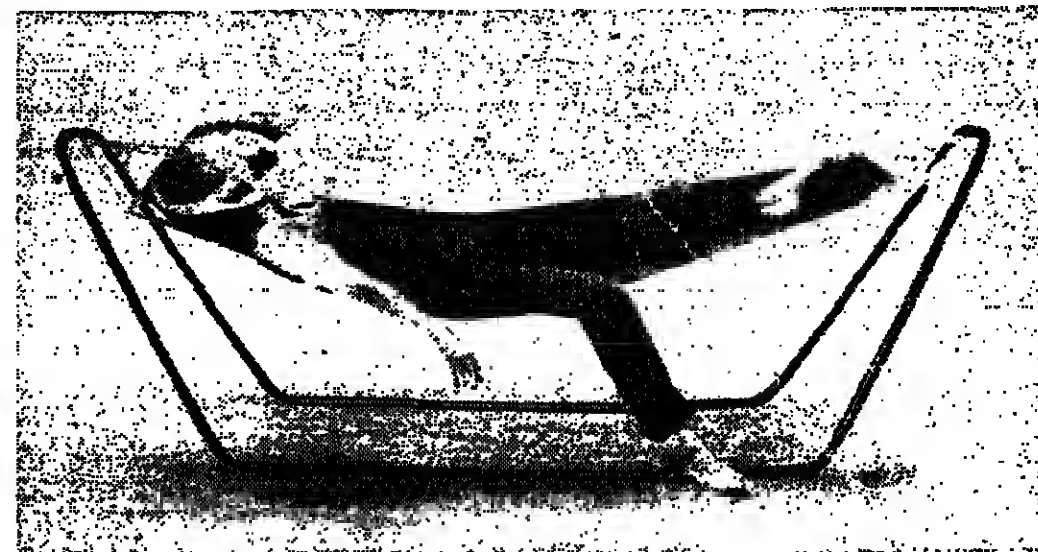


A movable feast

The Pak-a-Snak, photographed here, is an insulating box that can be used for keeping food either hot or cold. While there are many similar insulated boxes on the market this one seems particularly reasonably priced, at £10.92 inclusive of VAT, postage and packing. Large enough to hold a bottle of wine (it is 16 inches high internally) as well as most of the ingredients for an average family-sized picnic, it has a mushroom-coloured top and



tomato base. The toggle catches give it a good strong seal and the handle makes it very easy to carry. Buy it by mail from Charles P. Moody, Broadford Mills, Shalford, Guildford.



What, no trees?

Nothing sums up the true feeling of summer better than lovely idle hours in a hammock. If you have some trees all your own then you can set up the simplest of hammocks but if, like many of us who live in gardenless houses and cities, your only bit of greenery is houseplants, then here is the answer—the Li-Lo Sunswinger. It is self-supporting, as you can see

from the picture. The frame is made from strong epoxy plastic-coated steel tubing which is easy to assemble and to dismantle. The frame is bright blue, the cotton canvas hammock is bright red. Buy the hammock for £24.95 (inclusive of postage and packing) direct from Selective Marketplace, 26 Golden Square, London, W1.

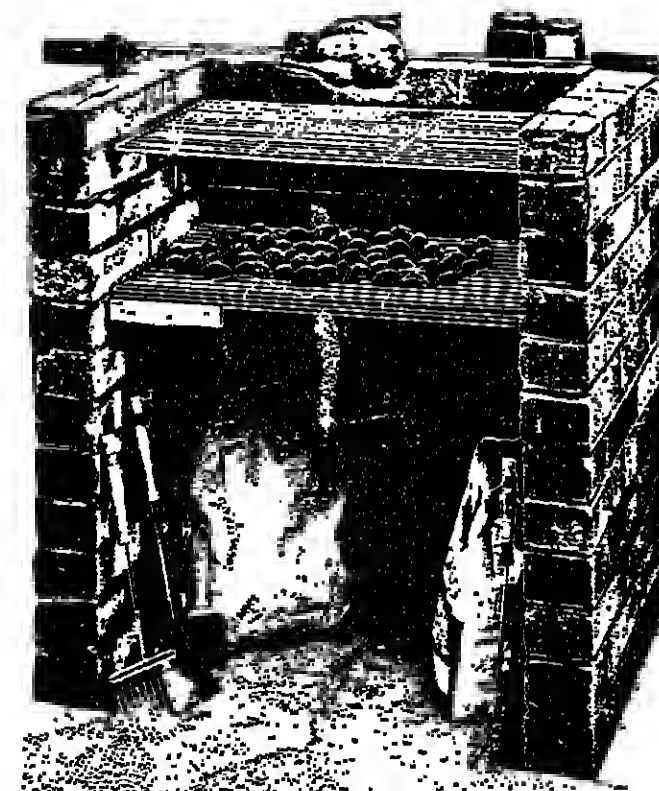
If you live far from a good garden shop and are looking for other summer outdoor living ideas Selective Marketplace has a full-colour booklet which offers quite a few suggestions—for instance, a beach mat that doubles up to become a beach bag, a spiced did insulating bag and a nice-looking garden trolley. The booklet is free from Selective Marketplace.

Build a barbecue

MOST garden departments are so awash with barbecues that you might be forgiven for thinking we had one of the sunniest climates in the world. Nonetheless, on the few fine days we do have, it is lovely to eat out of doors and a barbecue is at once festive and informal, combining pleasure and a sense of occasion with not too much work for the cook. Though you can buy any one of a number of elaborate barbecues, one of the simplest and best I have come across is the Black Knight Barbecue that you build into the garden or patio yourself.

There are two sizes, the standard at about £32.50 and the king size at about £39.95. To build each you will need to supply the bricks but in the kit itself there is a grid, grill, tray, rotisserie (battery-operated), supports, booklet of instructions and recipes. Choosing a site is quite important—it should be sheltered, agreeable to use and not too far from the kitchen so that transporting dishes and food isn't too arduous a task.

As you can see from the photograph the barbecue is fundamentally very simple but the booklet that accompanies the kit does offer quite a few ideas for providing more elaborate additions—like side tables and canopies, should



you feel carried away by the whole idea. . . . The various parts can be removed for storage in the winter (in fact it is recommended that the grill should be brought in whenever not in use) leaving the brick base which, when covered over, provides useful log or dustbin storage. For picnics the grid and tray can be removed and

used for an impromptu barbecue on their own. If you want to know more about the Black Knight Barbecues write to the company at PO Box 35, Maidstone, Kent. Find the kits at good garden centres up and down the country and in particular it can be found now in Selfridges garden centre.

POSTSCRIPT

● If you are looking for an attractive range of planters don't forget to look in the multiples where very often a combination of keen buyers and the capacity to buy in bulk means that prices are very competitive. Currently both Marks and Spencer and Boots have a selection of very reasonably priced and very attractive planters. Boots, in particular, has a splendid plain square white planter called Sienna, which comes in two sizes (large, which is 8 ins high, 8 ins wide and 8 ins deep for £8.95 and small, which is 5 ins high, 5 ins wide and 5 ins deep for £4.95).

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Centre: Lightweight long-sleeved sweater by Sabre in crisp grey, lower, and natural stripes, £17.95.
Left: Short-sleeved shirt in stretch terry fabric by Sabre, £10.95.
Sweatshirt from a selection, at £7.50.
Right: Rib-collared summer shirt in a textured horizontal stripe, £9.95.

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Through a glass darkly

FASHION
ARTHUR SANDLES

THE PAST few days of bright sunshine in much of Britain has done more than add pace to the growth of strapping tomatoes. It has also brought joy to a section of British society which was feeling a little hard done by—the sunglasses makers.

The sunglasses war really broke upon the British scene three or four years ago, before that it was a fairly gentlemanly business. Unfortunately the manufacturers and importers moved their marketing big guns into action just as two aspects of the market environment took a turn for the worse. Summers were less summery, and money was less plentiful. For a product that needs hot days and deep pockets this was not good news.

What the sunglasses people have succeeded in doing, with all their marketing efforts, however, is turn the sunglasses trade into a fashion market. Even with mass market price tags in the £6-£20 a pair price range, sunglasses have become an accessory, an impulse buy. Buying sunglasses these days, however, is no simple matter even on impulse. Lenses differ enormously, and the cautious buyer has to think carefully about what those discreet little name tags really mean. I have something of a bee in my bonnet about the uselessness of almost every sort of sunglass except those that are polarised. The new fangled sort that lighten or darken as the available light requires always seem to me to be doing the wrong thing at the wrong time—I rush onto the beach and am blinded by sunshine or dash into the darkened car and stumble blindly over the feet of the girl I am trying to impress. And ordinary tinted lenses have to be so dark near water or snow as seriously to

impair vision. Polarised lenses, however, have a disadvantage. They tend to be made of a less scratch resistant material than other lenses and, since sunglasses are almost by definition things which are badly treated, can easily develop quite serious marks. I clean mine with silver polish and (so far, touch wood) it seems to have worked. The good thing about plastic lenses, which polarised are, is that they are light.

I use contact lenses but sometimes, when swimming for example, I'll wear prescription sunglasses. These days these are simply shaded. My experiments with photochromic lenses (the ones that change) were unhappy ones. The lens was rarely dark enough for bright light and yet retained that faint smokiness indoors which made me feel like a pale imitation of some thirties Hollywood B-movie star. I am saving my pennies for the ultimate luxury for the short-sighted, prescription polarised sunglasses. And what should you pay? For good quality mass market simple polarised glasses £5-£7 should find you a very wide selection. Pay less and the chances are you are getting the worst of all worlds—soft plastic lenses in a weak frame. As you get towards £10 you should be getting good quality glass lenses with excellent colouring, perhaps some grading of the colour (darker at the top than the bottom—its supposed to be very fashionable at the moment). Up to £15-£18 you are getting photochromatic lenses in frames with a bit of style about them, and certainly some strength. Over that and you are into the designer field, where the sunglasses are very much an accessory or, as they so quaintly put it, "where your glasses are a statement about yourself." Perhaps they are right. After all, mine are frequently cracked and often utterly lost.



Top: Tough, practical and at the top end of the mass market these Camargue sunglasses (C122) have graded smoke lenses with silver decor on a matt black frame. About £18.95.

Left: The Mulberry Company produces glasses each year in colours to match its clothes. They are priced around £16.75. Stockists include Austin Reed (Cue) in London's Regent Street; Harrods; Brown Thomas and Co. Dublin; Just Jackies, Leicester and Leslies of Bath.

Right: The basic metal frame polarised glasses from Foster Grant. This is P1453 and has a silver frame and perhaps an edge too much darkness for my taste. Foster Grant sunglasses are widely available throughout the country, particularly in chemists and department stores.

COLLECTING

Philosophic furniture

BY JANET MARSH

THE MAJOR salerooms enjoy re-defining art history. This time however, Sotheby-Parke Bernet, in cataloguing some rather smart sales in Monte Carlo next Sunday, have rather confused the issues. They have settled on the designation "Modernist" to distinguish style in applied arts in the period after "Art Deco" — which they decree was actually terminated, rather than originated, by the 1925 Paris Exposition des Arts Décoratifs which gives the style its name. "Modernist" is not an entirely happy term, since it tends to be applied to something or other in every generation. Historians both of art and of religion are most likely to associate it with the 1890s. It also smacks of Camden Town furniture trying to sell off some rather out-of-date Art Deco furniture.

What's in a name, though? Sotheby's two sales and the good-looking catalogues that go with them offer a coherent survey of the essentially functional, architecturally-inspired furnishings that were being made by a few advanced European designers in the late twenties and early thirties.

It is proper, certainly, to distinguish these works and the new spirit that inspires them from Art Deco, with its essentially decorative emphasis; though the philosophies inspiring the new furniture and the new buildings for which it was intended go back much further. The great father of architectural functionalism, the Chicagoan Louis H. Sullivan, as early as the 1880s coined the slogan "form follows function". Le Corbusier's still more uncompromising definition of a house as "a machine for living in" dates from 1920.

In Holland the review *De Stijl*, founded in 1918, united a group of artists who included Piet Mondrian and Theo van Doesburg. Out of their experience of Cubism and Futurism

the De Stijl group evolved their theory of "Neoplasticism," a plastic idiom that, rejecting every tradition of the past, would be as applicable to architecture and the decorative arts as to painting.

The ultimate outcome of their thought was a form of geometrical abstraction, depending on the relation of horizontal and vertical and on the exclusive use of the primary colours and "non-colours" — white, black and grey.

Meanwhile in the Soviet Union artists like Vladimir Tatlin, El Lissitzky, Malevich, Nann Gabo, Antoine Pevsner and Alexander Rodchenko, searching for a style as revolutionary as the times they lived in, developed the theory of "Constructivism."

In the design of everything from office blocks to chairs and clothing, the constructivists decreed a wholly functional aesthetic — unornamented, rational, geometrical forms based solely on relations of space and mass and purpose. They also advocated the use of the most modern materials — steel, plastics and glass.

There was continual cross-fertilisation. El Lissitzky and Van Doesburg were co-founders of the Constructivist International in 1922, and its manifesto was published in *De Stijl*.

The following year in Germany the Bauhaus gave the first exhibition of its work in the form of a model house that demonstrated the ideal of the Bauhaus's founder, Walter Gropius: "the unified work of art—the Great Construction—in which there is no distinction between monumental and decorative art."

extent its practical fruition was frustrated by economic and political circumstances of the early thirties.

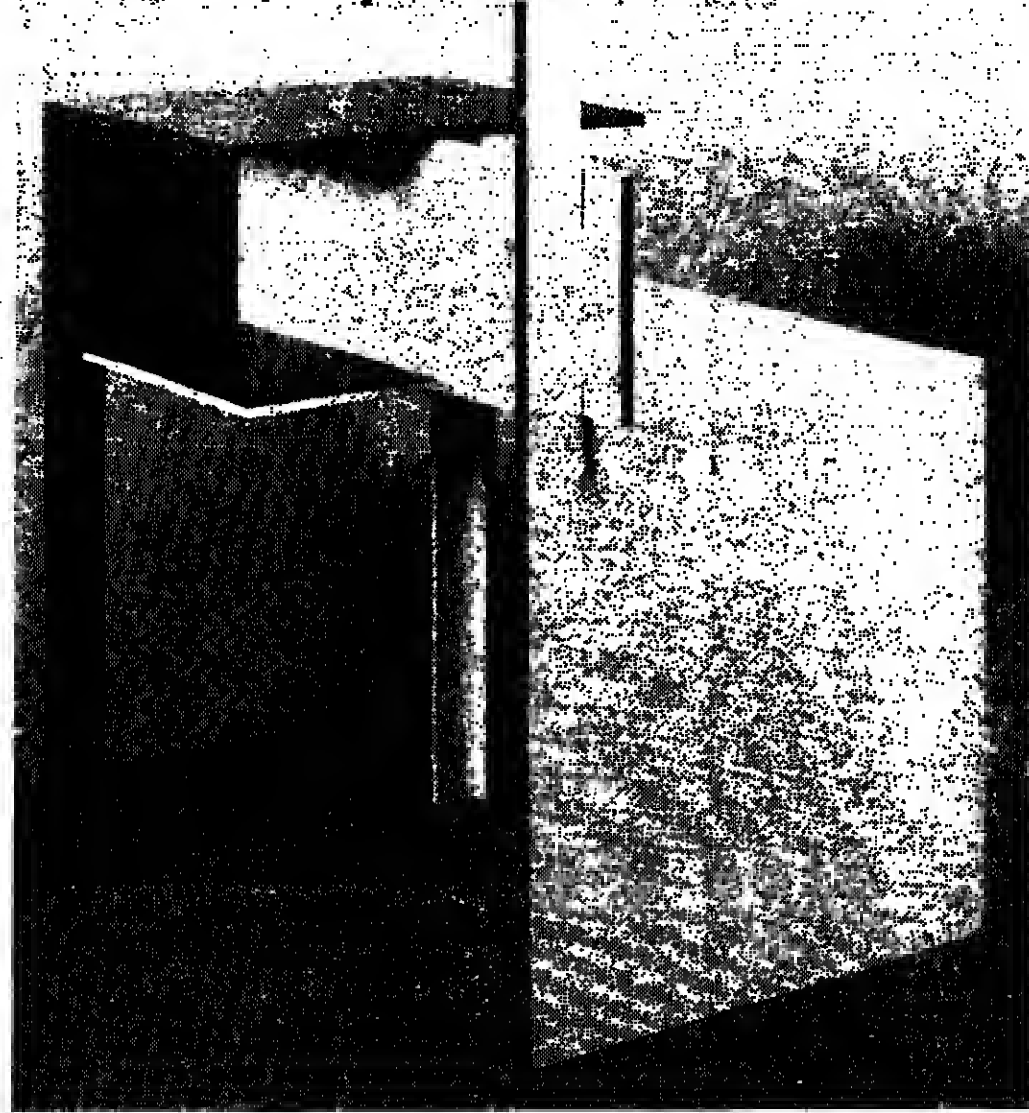
Depression reduced the number of rich patrons; political reaction in the Soviet Union put an end to the Constructivist experiment; many German artists were to emigrate after 1933 with the result that the real centre of modern architecture moved to the U.S. Legendary projects like Tatlin's Monument to the Third International or Le Corbusier's House of the Soviets and League of Nations Building were never to be realised.

If the buildings often remained merely projects, at least a certain amount of furniture was made to express the new philosophies. The importance of Sotheby's two sales next Sunday is that each represents a complete collection of the period—in one case of an artist, in the other of a patron.

The artist is Eileen Gray, who was the subject of a centenary exhibition at the Victoria and Albert Museum last year. Miss Gray lived in Paris from 1908 until her death at 87 in 1965; and the works to be sold formed the furnishings of her own apartment in the rue Bonaparte.

Her style as a designer was formed after 1922 when she came in contact with the *De Stijl* group and the most remarkable pieces in the collection—the table illustrated—a screen and some electric lamps looking more like Cubist or Constructivist sculptures—date from this period.

A steel-framed chair by Miss Gray figures in the other collection, which is made up of furnishings from the Palace of Marik Bagh. In 1930 the young Maharaja of Indore commissioned Eckart Muthesius to decorate and furnish a new palace. Muthesius, the son of Hermann Muthesius, creator of the Deutscher Werkstatte and a leader of the "Internationalist"



Painted wood table-sculpture by Eileen Gray

much of the furniture himself. style in architecture—designed but also introduced commercial-made Indian-style furniture in the style of Marcel Breuer, the Bauhaus designer, and called in such artists as Eileen Gray, Emile-Jacques

Ruhlmann, Louis Sogner, Rene Herbst, Alfred Zeffner and Corbusier himself.

Le Corbusier is represented by a metal and chrome chaise longue covered (a nod to India) in leopard skin. Sogner designed the two beds—the maharan's

CHESS

Surprise moves

How to meet tricky, opportunist counter-gambits is a practical chessboard problem for every match and tournament player. Often such gambits are used by a weaker player against an expert to catch him out in prepared analysis or to complicate endgame and randomise the position and provoke blunders.

By the nature of such gambits they often come as an over-the-board surprise and it is unrealistic to expect to prepare for them all in advance. Nor is it sufficient to rely on the bromide of vague general principles such as guarding the initiative, developing the pieces and so on. The position is usually too sharp and complex for the remedy to exclude specific moves.

What seems the best treatment, and the one used by many grandmasters and masters, is to build up a corpus of reliable counters to the most popular gambits. These reduce the burden of detailed memory but are individual enough to retain the essential control of the position. One example occurs in the Benko Gambit 1 P-Q4, N-KB3; 2 P-QB4, P-B4; 3 P-Q5, P-QN4; 4 P-P, P-QR3 where accepting the pawn by 5 P-P, B-P leads to a vest armoury of black analysis covered in two books and numerous articles. John Nunn, the British grandmaster, has adopted the technique of countering the Benko by the unusual 5 P-B3, P-P; 6 P-K4.

The strategy is simple: White hopes to entice P-QN5 and then establish a knight on the QB4 outpost. There are also one or two tactical traps brought about by neutral black moves, for example 6... Q-R4 ch; 7 B-Q2, Q-N3; 2 N-B3, P-N5; 9 N-R4, Q-R4; 10 N-B1. Above all, this is a reasonable reply which makes

95 per cent of Black's laborious homework redundant and that is already a psychological plus for White.

A similar technique can be applied to the two most popular counter-gambits to the Ruy Lopez. After 1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 B-N5, P-QR3; 4 B-B4, N-B3; 5 O-O one tactical line runs 5... P-QN4; 6 B-N3, B-N2 when 7 R-K1, B-B4 gives complex play.

Scotland's leading master Craig Pritchett meets this system by 7 N-B3, B-K2; 8 P-Q3, O-O; 9 R-K1, P-Q8; 10 P-QR4. Counterspoing to the "Anti-Marshall" system which normally occurs after 5... B-R2; 6 R-K1, P-QN4; 7 B-N3, O-O; 8 P-QR4.

The main line of the Marshall gambit (with 8 P-B3, P-Q4) has led to numerous black victories in club chess while the other counter-attack also has a good reputation. A controlled lioe which kills both gambits simultaneously and takes the game on to ground of White's asset.

choosing is clearly a useful

As a third practical example of this "control technique" method, consider this week's game from a recent USSR tournament where an international master is confronted with another obscure gambit.

White: Podgatz, Black: Smirnov.

Albin Counter (Tbilisi 1979). 1 P-Q4, P-Q4; 2 P-QB4, P-K4; 3 P-KP, P-Q4; 4 N-KB3.

Most white players know enough to avoid 4 P-K3, B-N5 ch; 5 B-Q2, P-P; 6 B-B7 P-P ch; 7 K-K2, P-K=N ch; and Black wins.

4... N-QB3; 5 P-KN3, B-KN6; 6 B-N2, Q-Q2; 7 O-O, O-O; 8 Q-N3.

Also possible is B-Q-R4, but the game move contains a counter-trap.

8... B-KR8?

Better 8... P-KR4 though 9 R-Q1, P-QN3; 10 B-B4 followed by N-B3 favours White.

9 P-K8! B-P (if Q-P; 10 N-KN5); 10 N-K5, Q-Q3; 11 N-N3, P-N; 12 Q-R4, Q-B4; 13 N-R3, Q-N3.

Black's king defences are wrecked and he is already lost.

If 13... B-Q2; 14 N-N5! K-N1; 15 N-QP, Q-N; 16 B-K3 and wins. 14 B-B4, B-Q3; 15 B-B, P-B; 16 Q-R ch, Q-Q; 17 B-Q, P-Q; 18 P-B5! N-K2; 19 B-N5, P-KR4; 20 N-B2, P-R5; 21 N-P, B-R6; 22 K-R1, Resigns. A convincing approach—and Black has fallen for 9 P-K8 in at least three other master games.

Solutions Page 14

BRIDGE

SLAM BIDDING has long been considered the Achilles heel of players even at the highest level, but in my two example hands today the bidding is good — it is the dummy play that leaves much to be desired.

Let us look first at this deal which occurred in a World Olympiad:

W. N. E.
♠ J1097 ♠ 865432
♥ QJ875 ♥ 942
♦ Q87532 ♦ AKJ
♣ J95 ♣ Q

West is the dealer, and after three passes South opened the bidding with two hearts, to which North replied with three hearts. The single raise promises normal trump support and at least one Ace. South rebid three spades, to allow his partner to clear up the Ace position.

When North said four clubs, showing that he had the right Ace, South waited no longer, but jumped to seven hearts. West led the Knave of spades, the declarer won in hand, drew the trumps in three rounds, cashed his other two spade honours, and then ran off the rest of his trumps. East kept Ace, King of diamonds, and the club Queen, while West clung grimly on to his three clubs, and the declarer was forced to lose a club trick.

An expert player should look for extra chances, however, remote. South should ruff the spade lead in dummy, lead a diamond and ruff in hand, ruff his Ace of spades on the table, and ruff another diamond. The third spade is ruffed, and this is followed by another diamond ruff.

On the three diamond leads East has played Knave, King, and Ace. Dummy's diamond ten is a menace against West. This gives declarer the extra chance, if clubs do not break, of squeezing West in the minor suits.

card. East is caught in a minor suit squeeze — if he throws a club South's nine is good; if he throws a diamond, dummy's eight is established. It would appear that many declarers did not know how to play the heart suit.

We leave the international scene for a rubber of reasonable standard:

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♦ Q87532 ♦ AKJ
♣ J95 ♣ Q

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West's last four cards are Knave, nine, five of clubs and the diamond Queen, and the declarer's last trump forces him to yield the 13th trick.

High on horror

ONE OF the most interesting parts of the conversation between Francois Truffaut and the late Alfred Hitchcock recorded in the former's book about the latter, concerns the film *Strangers on a Train* made in 1951. The picture was taken from a novel by Patricia Highsmith. Raymond Chandler was signed up to do the screenplay which proved to be a disaster and provided Chandler with some memorable anti-Hollywood material to be used in later books of his own. Cezmi Ormonde, a woman writer who was an assistant of Ben Hecht's, finished the preliminary script and then Hitchcock hawked it round Warner Brothers for someone to do the dialogue.

"No one would touch it. They didn't think it was any good. What is interesting about that Truffaut agrees with them. 'I'm not at all surprised,' he says. 'It's often occurred to me that had I read the story, the chances are I wouldn't have cared for it. Here is a case

where you really have to see the picture. As a matter of fact the same story made by someone else wouldn't have been any good at all.' Without in any way detracting from the admirable bag of tricks which Hitch brought to the filming, or from the acting by Farley Granger and Robert Walker, is this really so? Did it all depend on Hitch and not on Highsmith whose first novel it was? This seemed to be the prevailing view for a long time. The success of the film weighed down on her reputation like an albatross. Without Hitch's skills she would never make the big time again.

Miss Highsmith ignored all this foolish talk and like a true artist went her own way. She followed unflinchingly her inspiration to develop a form for the thriller where the suspense does not depend on guessing the identity of the murderer and where it is usually the criminal's mind not that of the detective that is open to the reader from the start of the

story. Instead of making her plots depend on more probable occurrences than in *Strangers* she made them depend on even more improbable ones. She even returned to the idea of a murder bargain which provided the basis for the film.

In *Ripley's Game* (£125), which is one of a number of her books to appear simultaneously as Penguin paperbacks

PAPERBACKS

ANTHONY CURTIS


the bargain is between a syndicate of criminal operators headed by the ingenious Mr. Ripley who want some members of the Mafia disposed of and a young Englishman, a picture-framer living in Fontainebleau who is dying of leukemia. Jonathan Trevelyan probably does not have much longer to live and he desperately needs a large sum of money to leave his French wife and son after his baa game, so why should he not oblige them and do "a few simple murders?"

Trevanny's initial reaction is one of total outrage at the very idea. Miss Highsmith inexorably and unceasingly moves him and us to the point where the notion becomes a faint possibility, then a reality and finally an absolute necessity. There is never any question in her books that we are living in an unreal world. The bourgeois French family background and the hideous progress of the disease are both palpably real.

Graham Green in a Foreword to *Eileen* (Penguin, 95p), a volume of short stories by Miss Highsmith, puts it in his own characteristic way: "Nothing is certain when we have crossed this frontier. It is not the world as we once believed we knew it, but it is frighteningly more real to us than the house next door." If you have not yet experienced any Highsmithian horrors I suggest you try her out with the first story in *Eileen*, "The Snail-Watcher." For quiet commonsensical unfolding of a bestial takeover of a human being it leaves Saki way behind. Other titles available are: *The Cry of the Owl* (£125) and *The Glass Cell* (£125).



Patricia Highsmith



Christie's

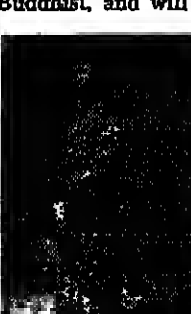
Experience & Expertise

No. 418

The islands of Japan, unlike continental India and China, possess but little stone of a quality suitable for sculpture, yet are richly compensated in a wide range of timber, especially the fragrant, beautifully grained and easily worked Japanese cypress or hinoki.

The introduction of Buddhism in the 6th century A.D. soon demanded the creation of numerous images and it was hinoki wood which rapidly became the predominant material.

The Neville Jones Collection comprises of 38 wood sculptures, mostly Buddhist, and will be sold at 2.30 p.m. on Tuesday, June 3.



A charming exception to the religious subjects is the Edo period painted wood figure of an elegant Countess Lady of Heian times. Whether the carving depicts a particular individual is uncertain; there are several possibilities of whom the most likely is the Lady Murasaki Shikibu, author of the Tale of Genji, probably the best-known Japanese literary work in the West, thanks largely to the late Arthur Waley's English translation. Lady Murasaki was born about 978 into a minor branch of the powerful Fujiwara family and the hero of the novel, Prince Genji, may in part be modelled on Fujiwara Michinaga (966-1027). The cultivation of extreme sensibility, especially to colours, shapes and fragrances which was such a feature of Heian court life, as well as Genji's love of women and nature, are combined in the narrative with a strangely haunting sense of sadness which is peculiarly Japanese.

For further information on this sale and of future sales, please contact William Tiley or Peter Buxton at the address below.

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Pay still the key factor

WHAT HAPPENS when an inconvertible force hits an inconvertible object? For the past year Ministers, businessmen and union leaders in Britain have been expecting to learn the answer to this age-old question. But they have not. The Government's monetary targets and the inevitable collision between the Government's monetary targets and the irresistible tide of price increases and pay demands.

This week's economic indicators suggested that the struggle between institutionalised inflation and monetary restraint should already have begun. But the Government's monetary policy stands more solidly monolithic than ever, while inflation continues to hurtle on as irresistibly as before.

The monetary growth target in which the Government had invested much faith and much political capital has now been shattered. Sterling M3 has been growing by an annualised 10 per cent since June and at a mere 6.5 per cent rate since the monetary squeeze began in earnest last November. But the very next day after this encouraging announcement, it was revealed that prices have risen by no less than 12 per cent in 12 months and to add insult to injury the London Business School's broadly monetarist forecasting model predicted that inflation would continue at around 18 per cent until at least the year-end.

Experiment

The Gulf which has opened between the rate of monetary growth and the rate of inflation does not just jump the facile conclusion that the monetarist experiment has failed or that the Government should abandon the broad thrust of its present policies. As Ministers have recently been reminding the electorate, even the most sanguine monetarists have never claimed that monetary restraint would immediately bring price and wage inflation down to the rate of monetary expansion. Furthermore, the achievement of monetary targets is so far more apparent than real, since the sterling M3 figure on which public attention has focused has been seriously distorted over the past year and significantly understates the rate monetary expansion.

The Prime Minister has rightly decided to defer judgment on the course of monetary policy until a consistent picture emerges from other monetary aggregates and from the bank lending figures, which showed exceptionally rapid growth last month. Given that the Government has chosen, for better or worse, to continue for the time being to administer the Minimum Lending Rate, rather than to leave its determination to a freer play of market forces, it is understandable that there

should be caution about letting it fall prematurely. Even the industrialists who are crying for an easing of interest rates would probably prefer to wait a few months more, rather than face another unexpected MLI increase later in the year.

Alibis

But in spite of these alibis, it would be hard for the Government, or its supporters, to claim that its economic measures have worked as quickly or as decisively as Ministers had hoped and as the electorate had perhaps been led to expect. What ever the limitations of sterling M3 as a monetary indicator, the fact remains that control of this particular target variable has been the lynchpin not only of the Government's present policy, but also of the medium-term financial plan on which it has set great store.

Mrs. Thatcher's statement on Thursday, that as long as private sector bank borrowing "remains as high as it is, the interest rate cannot come down," suggested a shift in emphasis from monetary to credit policy which the Government might do well to explain, if it wants its medium-term plans to carry conviction. For the real economic effects of the programme of cuts in public borrowing and in monetary growth will depend crucially on whether this bears primarily on the corporate or on the overseas sector. If the corporate sector is to be prevented from running up its deficit, then the fall in the public sector deficit will have to be matched by a current surplus on the balance of payments. This would certainly be desirable, but may require a squeeze on the domestic economy considerably harsher than the Government has so far contemplated.

Stringency

Even more financial stringency could, of course, be avoided if there were clear signs that the rate of domestic inflation was about to fall more rapidly than recent forecasts have suggested. This depends largely on the level of pay settlements over the coming year. Although there was no explosive acceleration in settlements during the last pay round, as there was in 1975, there were, on the other hand, precious few indications of any downward trend.

The likelihood that price inflation will remain in the high teens through the summer, when pay claims are being formulated, and even after last year's Budget increases drop out of the index, is particularly disappointing. However, the weak response to the TUC's Day of Action on Wednesday did provide a further encouraging example of the more realistic mood which is perhaps becoming established among Britain's union members.

The auction houses' hunt for treasure in the provinces

BY ANTONY THORNCROFT, Arts Editor

ON MONDAY night in New York Sotheby Parke Bernet sold a Picasso for \$3m to a Japanese dealer, a record for the artist and for any 20th century work of art. The next night, and also in New York, Christie's disposed of a Van Gogh for \$5.2m, the second highest price ever paid for any work of art at auction. (In 1970 a Velasquez portrait went for \$2.31m, marginally more). In the same sale of 10 paintings collected by Henry Ford II Christie's also established auction records for Cezanne, Gauguin, Degas, Modigliani and Boudin.

The Impressionist paintings on offer were some of the finest ever to appear publicly on the market—both Van Gogh and Cezanne have sold, for more privately—and the prices are unlikely to be matched for some time. Old Masters might sell for more, but they are now locked up in museums. For both Sotheby's and Christie's the sales confirmed their dominance as international auctioneers and also made them a great deal of money.

The 10 Ford paintings sold for \$18.35m and the 41 in the Sotheby's sale, which had belonged to Bernard Chrysler Garbisch, daughter of the founder of Chrysler Motors and her husband, realised \$14.855m. With every buyer having to pay an additional 10 per cent on the hammer price, the premium Sotheby's and Christie's earned several million dollars in a matter of minutes.

In most cases the salerooms also take 10 per cent from the vendor as well, but in sales of this magnitude—which are very competitively contested between Sotheby's and Christie's—to get the property the auction houses are quite prepared to reduce, or even drop altogether, the charge to the seller. For through the sale, and the publicity that surrounds them, Sotheby's and Christie's get the opportunity to display their expertise, their organisational skills and their artistic flair to the few hundred people, or their executives, around the world, who might have similar fortunes in art to dispose of.

This is exactly what has happened this week. On Thursday Sotheby's announced that it was auctioning in October 32 paintings and 17 sculptures collected by Andre Meyer, a senior partner in Lazard Freres, who died last year. Several of the paintings, which include works by Rembrandt, Van Gogh, Picasso, Renoir and Cezanne, are valued at over \$1m each and the conservative estimate for the Meyer sale is \$10m.

By such sales, typified by the von Hirsch auction held by Sotheby's in London in 1978 which brought in \$18.5m in four days, Sotheby's has been able to push up its international turnover from \$35m to \$130m in the last decade and Christie's from \$15m to \$126m during the same period. While such momentous



Two sales which indicate the wide spectrum covered by the auction houses—Van Gogh's Le Jardin du Poete, Aries, sold by Christie's in New York earlier this week on behalf of Henry Ford II for \$5.2m, a record auction price for the artist; and (right) a rare signed Staffordshire slipware dish by Samuel Maitland, circa 1725, brought in to Sotheby's on a discovery event and sold last October for \$2,000

auctions are very profitable—and wonderful for promoting the name—the bulk of the lots sold at Sotheby's and Christie's go for very modest prices. At Sotheby's around 60 per cent of the lots and make less than \$200. At Christie's the main King Street saleroom has an average price per lot of \$1,000 but at its second-string room in South Kensington the average is \$70 a lot.

Although the individual sums involved are very small the quantity makes it very worthwhile business. At Christie's last year 60,000 lots sold at King Street (no improvement on 1979) while in Kensington the total of 180,000 lots was up by 30,000 on the previous year.

Both salerooms have put a great deal of effort into trawling their nets more finely throughout the country for overlooked treasures in the attic or

... hurt pride when treasures turn out to be worthless

garage. So while their Impressionist experts were dealing in millions in New York, Sotheby's specialists could be found in Norwich and Hinton Hall near Ipswich sorting through the baskets of old age pensioners while Christie's yesterday was meeting the people in Nottingham.

Sotheby's holds around four such "discovery" events a year and Christie's more than 20. What it calls "probes." Usually a market town with a good catchment area is chosen or a seaside resort with a high pro-

portion of retired inhabitants. Christie's best ever day was at Bexhill where it took in goods which subsequently sold for £100,000. Since there would be a 10 per cent fee from both vendor and buyer the return for Christie's on this venture was some £20,000.

Both salerooms adopt the same basic approach. They take a large room in a hotel or the like; advertise in the local press; and offer anyone who appears a free valuation on any items they might bring in. If the owner is pleasantly surprised by the value the auction house will be happy to take it on the spot and put it in a forthcoming sale. Up to 1,000 people usually attend the events and, while it is very rare for an artistic masterpiece to surface in this way, some quite valuable goods are discovered.

The discovery event at Hinton Hall on Thursday gave the flavour of the occasion. It was not quite typical because the local newspapers' printing dispute had spoiled Sotheby's publicity plans but spots were booked on the local radio and there was a steady stream of customers, if not a flood.

It is not perhaps surprising that the days of the little old ladies, with tears in their eyes, learned that some family heirloom was really a Ming vase are in the past. The popularity of television programmes such as Antiques Roadshow, which follow a similar pattern, has convinced most people that what is really a holiday souvenir is probably a Ming vase. The only disbeliever of the specialists are likely to encounter is hurt pride and irritation when potential treasures turn out to be worthless. In practice many of the items to Hinton Hall had no value, but usually no

more, and often less, than its owner expected. Christie's did once discover a Ming vase used as an umbrella stand and sold it for over £200,000, but Sotheby's on Thursday had a more realistic day. An old man brought in a book which turned out to be the Admiralty report on the mutiny on the Bounty. He was delighted when Sotheby's placed a provisional estimate of \$800 on it; a local antique dealer had offered £80. He thought he would entrust it to Sotheby's to sell but subsequently decided to hold on to it. As compensation a model of a steamship, worth over \$1,000, which had turned up on Wednesday, reappeared when the owner finally decided to dispose of it. In a few minutes a Nicole Frere musical box, in the £1,000-£2,000 class; a miniature of Napoleon signed by Isabeau, a sought-after artist; and several sets of soldiers made by Britain of pre-1914 vintage in excellent condition were taken in, along with an art deco figure, which if confirmed to be by Chiparus, could comfortably top £1,000.

On the other hand a lady with a painting confidently framed and signed by Munings was told she had a fake, and among the possessors of porcelain, by far the largest contingent, there were many disillusioned faces as Meissen and Chelsea items were re-categorised as 20th-century transfer printed china.

The experts tended to be gentle and diplomatic praising the bright colours of worthless porcelain or the frames of prime masquerading as paintings. Quite often the specialist would be impressed by an unusual item, such as an 1870s clock with an automaton figure on top, but his realistic estimate of £80 was not as high as the

hopeful owner expected. Frequently, however, especially among the jewellery, people just wanted authentication of gems and some idea of value.

At the end of the four-day East Anglian trawl Sotheby's will have bought in items worth at least £40,000. With more publicity the take would have been much greater. Most of the lots will appear in its network of provincial salerooms, for Sotheby's relies less on discovery events than Christie's because it has acquired provincial salerooms in the last few years in

The major collections are fickle and unpredictable

Torquay, Pulborough and Taunton, and is opening shortly in Chester. These local salerooms already have sales of around £10m a year, and with offices recently opened in Cambridge, Cheltenham, Harrogate and Bournemouth, Sotheby's reckons that the UK is well and truly covered with permanent establishments.

The main expansion of Sotheby's and Christie's has come through their international operations—they have two salerooms each in New York, which for Sotheby's are threatening to overtake London in turnover. But by realising, rather belatedly, the potential in the UK they have been able to keep the number of sales held here on the increase each year.

The provinces do not only provide bulk. In 1977 a discovery event at Alcester unearthed a painting by the

Belgian artist Gerard Portielje which subsequently sold at Sotheby's for £11,500; a 10 ducat piece brought in to Malvern made £7,000 in 1978.

Christie's actually established an auction record for an item of Berlin porcelain, when a snuff box, shown to one of its experts at a televised Antiques Roadshow, subsequently sold for £11,200. A probe in Norwich produced a painting by the Liverpool artist Robert Salmon which topped £10,000. And in Nottingham yesterday its morning session produced goods for future sale worth £25,000, with a particularly nice Louise Rayner watercolour which should fetch up to £2,000. On average the salerooms expect half the items brought to them to have some value and about 40 per cent of these are banded over for disposal.

Both Sotheby's and Christie's will have made more direct profit in a few hours this week than in all the discovery events and probes undertaken this year. But the major collections are fickle and unpredictable while the constant flow of everyday antiques must remain the basis of the business. There is a great deal of goodwill involved in getting there ahead of the competition—Sotheby's is keeping its next excursion secret in case Christie's turns up first. But they are enjoyable events, for the staff and for the public; they pay off handsomely, and there is always the chance that the next newspaper wrapped package will contain a medieval Book of Hours or an Elizabethan silver cup. They are also excellent public relations, of the kind which has transformed both Sotheby's and Christie's from mere auctioneers into British institutions within the space of a decade.

Letters to the Editor

Management

From M. I. Readman

Sir,—Self-management was a theme repeatedly alluded to in orations at the funeral of President Tito. Self-management enterprises are alleged to have played a major role in the vastly increased prosperity of the Yugoslavians during the past decade. This improvement contrasts starkly with our own decline over the same period. Might it not be that self-management is the key to unlock the impasse which has developed between employers and employees in this country.

Capital—bires—management—hires—labour proved to be an effective wealth-generating system in our former peasant society. Recently, however, the three-day dialogue, "Them and Us," staged by BBC Panorama, revealed the depths of resentment and consequent sterility this system now generates in a well-educated and socially-aware democracy. This was equally apparent whether delegates were drawn from government or private enterprise. Surely a system of organisation could be devised whereby capital and labour combine together to appoint the necessary management. At one stroke this would both enhance the dignity of all participants in the enterprise and elevate the status of our managers by ensuring acceptance of the leadership by the led. The result could be the untenshing of a frustrated torrent of the creative endeavour which is endemic in the British people. This energy is vitally needed if we are to harvest the benefits of the microchip age and put our country once again at the head of social evolution. It seems to me, however, that unless we can banish oppression from our enterprises, our decline will continue.

Is there no way such an overdue development in industrial democracy can be initiated within a capitalist framework? Must we first wait to be driven

by sheer poverty and desperation into the arms of socialism, a fate from which we have for the moment been reprieved by North Sea oil? The steel strike is but one more indication that the present generation would prefer to don the hair shirt rather than continue to suffer the indignities of subordination that are inherent in our ancient autocratic structures. On his attention being drawn to the apparently fruitless financial sacrifices made by his members, Mr. Bill Sims replied that they were more than content to have regained their manhood, as they were sick of being treated like little boys. Only by treating our citizens as adult people can we expect to evoke adult attitudes and adult behaviour.

Our democracy will come of age on the day when, as now suggest express buses to serve the electors at the place of work. At the moment and most ironically, it would appear that the one-party state of Yugoslavia is leading the way with their philosophy of self-management.

I. W. Readman.
 Corn Dolly Restaurant,
 Great Borefield, Brompton,
 Essex.

Stansted
 From Mr. A. Scott

Sir,—I have been considering how to put some life into sleepy Stansted Airport. Air UK has expressed a wish to develop services there.

From Mr. P. Richards

Sir,—Although Mr. Shankland (May 12) does not quote any references to the Taxes Act, the circumstances that he gives, leading to the charging of interest retrospectively on under-assessed corporation tax, can only arise under Section 88 of Taxes Management Act 1970. The section, not unreasonably, gives powers to the Inland Revenue, in cases of fraud, wilful default or neglect, to charge interest from the date on which the tax would normally have been payable.

All limited companies have at least nine months from the end of their financial year before tax becomes payable and there are grounds for presuming neglect if a company cannot therefore prepare accounts and tax computations within this period. This argument is reinforced by the requirements of the Companies Act 1976 relating to the laying and delivering of accounts.

In the hypothetical case of XYZ Company Limited quoted by Mr. Shankland, the company has a staff of competent accountants who were, presumably, able to make a reasonable estimate of the company's tax

calling at Tottenham Hale (to connect with the Victoria Line) and Harlow Town takes 38 minutes. The Inter-City stock is much more comfortable and there is first class for more comfort. It is a short drive to the airport and if the airlines were to provide mini-buses to collect passengers off the fast trains, it would be an end to all that rat race. Liverpool Street station is easy of access for all the City.

The City would probably like flights to Paris, Amsterdam, Frankfurt and Zurich and to add to the comfort would probably be prepared to pay for Club Class type service.

A. H. Scott,
 102, Beeches Road,
 Chelmsford, Essex.

Taxes
 From Mr. P. Richards

Sir,—Although Mr. Shankland (May 12) does not quote any references to the Taxes Act, the circumstances that he gives, leading to the charging of interest retrospectively on under-assessed corporation tax, can only arise under Section 88 of Taxes Management Act 1970. The section, not unreasonably, gives powers to the Inland Revenue, in cases of fraud, wilful default or neglect, to charge interest from the date on which the tax would normally have been payable.

liability. The absence of the powers under S.88 would encourage companies who had received estimated assessments to delay their actual liability, to pay the assessment and delay submission of accounts and computations as long as possible. If XYZ Company Limited had wished to avoid a charge of interest, I am sure that, the Inspector of Taxes would have been prepared to issue a provisional assessment on the basis of draft accounts pending completion of the audit.

A further point in the article relates to dividend tax otherwise known as advance corporation tax. Mr. Shankland states that tax must be paid within two weeks of payment of a dividend to shareholders. Schedule 14 of that Finance Act 1972 says that payment is due at the time of making the return (Para. 3 (1)) and that the return is due within 14 days after the end of each quarter ending on the last day of March, June etc. (Para. 1 (2) a). For dividends paid on the first day of a quarter, this gives over three months before the tax is due. There will be some variations if the company's financial year does not coincide with one of the quarter ends.

Peter Richards.
 Saatchi and Saatchi Co.,
 30, Charlotte Street, W1.

Earnings
 From Mr. W. Fox

Sir,—Mrs. Thatcher has recently said that the gap between rising earnings and stagnant output has got to narrow, and she added "it is no coincidence that, in the wage round now ending, the gap has widened where the pressures of competition are weakest." Moreover, one of her ministers (Mr. Howell) has driven the point home by saying "if some groups succeed in getting high settlements they are pre-empting the money which might have kept others in jobs."

It seems to me that both of them are drawing attention to facts which have been "blindly" obvious for a long time, and that it is only the leaders of the Conservative party who have needed 12 disastrous months to reach this conclusion. Now the light has dawned at last, I would like to ask them what they are going to do about it?

Even if they are incapable of taking any positive steps to control this harmful development, it is too much to hope that they will at least stop reinforcing and accelerating it by advocating "free collective bargaining" even more stridently than the trades unions are doing?

W. B. Fox,
 1 Bradley Park Road,
 St. Margarets, Torquay.

Motoring

From Mr. G. Burnham

Sir—Your Mr. Stuart Marshall (May 31) has passed the Institute of Advanced Motorists qualifying examination and as he is a motoring correspondent that is most fitting and I congratulate him.

I cannot agree, however, that it is really fair to expect every driver to be an expert on the motor car or to remember all the "correct" drill which has been collected together since I started driving. How to drive, and safety for oneself and others, should be the only concern of the driving test.

I have been driving for 47 years without wearing a seat belt and without holding the steering wheel in the approved manner. There were no driving tests when I started, and if there were any schools of motoring they were little known.

The qualifications contributing to a good driver are common sense, quick reaction, good judgment and experience. We have, however, to face the

fact that many drivers will lack one or more of these and a great number will have more dangerous habits such as competitiveness, arrogance, timidity, impatience and intolerance.

The driving test should be kept short and simple but in these days of heavy traffic the early lessons should be taught and practised off the public roads.

To cut down accidents we could raise the driving age by several years, ban all motor sport and follow the Islamic laws on the consumption of alcohol—but somehow I cannot see it happening.

G. K. Burnham,
 207 Cassiobury Drive,
 Welford, Herts.

Cuts

From the Chairman, Liberal Economic Affairs Panel

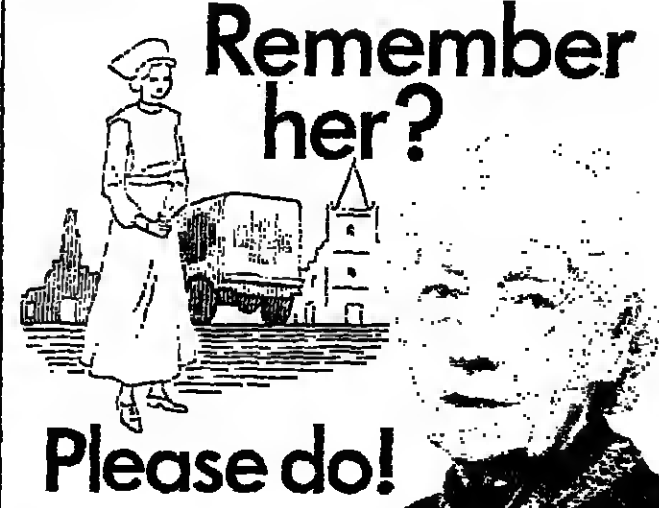
Sir,—Ordinary people must be tired of hearing successive Governments answer serious criticisms of their policies by saying that the other main party did the same thing when it was in power.

To the recent public expenditure debate Nigel Lawson, the Financial Secretary to the Treasury, used this argument to justify the fact that over half his Government's proposed cuts were on capital expenditure.

This brings the tactic from the realm of irrelevance to that of self-contradiction. If a previous government brought capital expenditure down to a minimal level then the imposition of further cuts will be doubly harmful.

Surely it is time for the people who are going to have to live in this country in ten or 20 years' time to ask that the quality of life which will be left for them to enjoy should be discussed seriously and not argued in the terms of knee about debate and short-term electoral advantage?

James Rothman,
 25 Norfolk Road, N.W.



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The real issue behind the ILEA dispute

BY MICHAEL DIXON, Education Correspondent

WHEN ADVERTISEMENTS recently appeared asserting that the dinosaur was badly designed, affronted palaeontologists protested that the dinosaur should be banned by the Advertising Standards Authority. Could the advertiser, they challenged, hope to design something better than the creature which dominated the earth for 160m years?

At the same time an educational controversy has been occurring which is comparable in many respects save that its object—the Inner London Education Authority—is still around to join in the dispute. By comparison with its counterparts among the 104 local education authorities directly responsible for all State education in England and Wales except that provided in universities, the Inner London body is certainly of dinosaural proportions.

Together, the 104 authorities have in their schools about 8.8m pupils and some 485,000 schoolteachers, and this year their combined activities including further and higher education in colleges and polytechnics will cost more than £800m. Of the whole, about one in every 24 pupils, one in every 20 schoolteachers and nearly £1 in every £10 of expenditure can be ascribed to the Inner London Education Authority's activities.

While not of dinosaural longevity in absolute terms, the authority or something closely resembling it has existed ever since State education was established in this country 110 years ago. Born as the London School Board in 1870, the body evolved 34 years later into the London County Council's education authority which, although the LCC structure was replaced by that of the Greater London Council in 1963, has essentially continued to exist as ILEA.

The assertion that the monster should now be declared extinct was made in a report by a committee of prominent

London Conservatives, headed by Mr. Kenneth Baker MP, published on February 1. But the report only gave official expression to complaints which have been uttered for years about the character and habits of the education authority.

Its governing council consists of 48 members. Of these, 35 are people who have been elected to the Greater London Council from its constituencies in inner London. Each of the additional 13 members is appointed by the elected council of each of the dozen inner boroughs and the City of London. This arrangement irritates Conservatives because, since Labour tends to hold the political advantage in the central area, it gives ILEA almost a built-in Labour majority.

The inherent tendency towards Labour control was not, however, among the Conservative committee's stated criticisms. The education body, the committee said, "is not directly elected, nor is it directly responsible to any particular authority." There, for local people—parents, teachers and ratepayers—have no direct say in the running of their local education service, unlike the outer London boroughs or the rest of the country.

Another long rumbling dissatisfaction lies in the education body's financial powers. It decides its own budget and finances this by precept, which means that it can oblige the Greater London Council to collect for it the money it requires from the 13 central localities, whether they or the GLC like this or not. The proportion of its budget which the education body needs to raise by precept would be reduced by the local government Bill now before Parliament. The Bill would extend to ILEA for the first time a supply of central government finance by way of the new unitary grants, which would replace the existing rate-support grants.



But, as the Conservative committee pointed out in condemning the Inner London body's lack of financial accountability, it "will still retain the right to precept for the sums which it decides it needs in excess of the grant allocation." It will continue to be its own financial master and will not be responsible to any directly elected representatives.

The faulty design resulted, the committee's report added, in lavish spending and provision especially in the number of teachers employed relative to the pupils in the schools, without any balancing return by way of good results in the public examinations. A further frequent complaint to which the report gave official expression was that ILEA's processes of making and acting on decisions were bureaucratically remote, and therefore imperceptible of

the needs of parents and ratepayers in the 13 localities.

The committee felt the need to quote only one example of the dinosaur "brain's" slowness to perceive and react to what is happening on the ground.

The example was the William Tyndale Junior School in Islington where, despite visible evidence in May, 1974 that leaving teachers had seized control and were failing to teach adequately the basic skills of literacy and numeracy, it took ILEA until July, 1975 to start any corrective action at all.

The Conservatives' report concluded that education in inner London must be reformed by being subjected to stronger electoral and financial discipline, not least by being made to compete for scarce funds with other local authority services.

Accordingly the committee recommended that ILEA be disbanded. Each of the inner boroughs should be made responsible for its own schools and further education centres, apart from the five polytechnics and certain other specialist institutions such as the Central School of Speech and Drama. These would be administered by a joint committee of the dozen central boroughs.

Another joint committee would supervise the further education activities so as to discourage unnecessary duplication. The report conceded that some services would be shared with a consequent need for devices by which the providing borough could recover the cost of the exported services. Moreover, since some of the central areas are far richer in rate-income than others are, the burden of educational costs

would have to be spread more equally among the 13 localities by "an equalisation scheme... which would need careful negotiation through representatives of all London boroughs."

The committee's arguments evidently pleased Mrs. Thatcher and Mr. Mark Carlisle, the Secretary for Education and Science, who accepted them. But like the advertisement which disparaged the already extinct monster, the report also drew swift counter-criticisms from various people with a claim to expert knowledge of the creature concerned. Not all were prominent members or officials of ILEA. The Conservative committee's arguments were contradicted in detail by two leading academic observers of the country's social institutions: Messrs. Tony Travers and Tyrrell Burgess of the North East London Polytechnic, which is not one of the five polys in ILEA's domain.

Some of these objections concentrated on the committee's complaints about inner London's poor examination results, lavish expenditure and so on, arguing that these were at least unfair if not downright tendentious. But the main target of the counter-attack was the mechanism proposed by the report as a replacement for the longstanding joint authority.

A major objection was that the report failed to take sensible account of population trends including the effects of reduced birthrates. Unless conditions change and families flock back into the centre of the capital, these trends suggest a fall in the school population of the inner London area from 378,870 in January, 1978 to only 235,880 in September, 1986.

One result would be that ILEA would no longer be so monstrous; the local authority with the second biggest school population at present is Essex County with roughly 265,000. But a more important effect if the individual central boroughs were made responsible for their

own educational services, would be to saddle some of them with a pupil population too small to justify provision of sufficient choice of schooling and other courses likely to be acceptable to parents in the area. The importing and exporting of pupils and students across borough boundaries which is already extensive—Lambeth exports 600 pupils to Wandsworth, for instance—would become enormous. The need for administration would therefore almost certainly be greater than that of ILEA whose 94,915 non-teaching staff, among its total of 63,927 employees, account for nearly 36 per cent of its £384m staff costs.

Whether such objections have weakened the Prime Minister's resolve to accept the recommendations of the Conservatives' report, she has not said. But the response has evidently persuaded Mrs. Thatcher to refer the issue to an official central government inquiry, under the chairmanship of Lady Young, Minister of State for Education and Science. The inquiry seems to be in the hands of a committee of Ministers from interested departments such as the Treasury, Environment, and perhaps Employment as well as Education, supported by a second committee of senior officials from the same departments. Since the inquiry is part of the machinery of Whitehall, however, its precise composition is regarded as secret. So, apparently, are its terms of reference.

But if the terms are simply to decide on grounds of political fairness, likely cost and so on, whether or not the joint responsibility for education in inner London should be dispersed among the existing boroughs, then the inquiry has been asked the wrong question. After all, such an adjustment would do nothing to fill the gap in accountability for educational services which is most harmful

to rate—and tax-payers who have to consumer those services. That gap is the inability of any local authority to guarantee that children will benefit by way of learning valuable skills and knowledge in return for their parents' tax-payments and their own minimum 11 years of schooling. It is a gap which the Department of Education and Science might have a better chance of bridging without the distraction of the dispute about the educational organisation of inner London alone.

Even there, however, the important issue is not the narrow one of educational provision. As Travers and Burgess showed, while inner London's per capita spending on education is 50 per cent higher than the figure for England and Wales as a whole, its spending on other social services is 184 per cent higher, and its municipal spending on housing is 300 per cent higher.

The important issue is therefore the present low cost-effectiveness, not just of education, but of the whole range of local authority services in inner London. And given the signs that either retaining ILEA or dispersing its functions among the existing inner localities could not bring about the desirable general improvement, the proper object for the inquiry is to design a better way of governing the area locally. This might lie in its redivision into fewer, larger authorities corresponding to the prevailing centres of population, each capable of justifying its own provision and management of a full range of services including education.

Indeed, unless Lady Young's inquiry addresses this broader question, the result of the exercise already seems clear. Either the present unsatisfactory dinosaur will go on surviving, or it will be replaced educationally by a tribe of more complex but puny pygmies festooned in expensive red tape.

Weekend Brief

Clean-up campaign in Peking

PEKING is a once great city, trying to be great again. The Chinese authorities have announced plans to restore it to some of its former glory and at the top of the list is a programme to cut down heavy pollution levels.

The Peking municipality last week decided to stop the further spread of heavy industry. At the same time Wang Renzhong, China's new propaganda chief, announced plans to build Peking (population 8m-10m) into a first-rate, modern city and a model for the whole of China. Mr. Wang said Peking was the centre of international relations for China and a place which people throughout China and the world were looking to.

How the construction of Peking goes on is an indication of the state of the Chinese nation and our Socialist Motherland, and it will have an impact on the building of the whole nation," he told a youth conference last week.

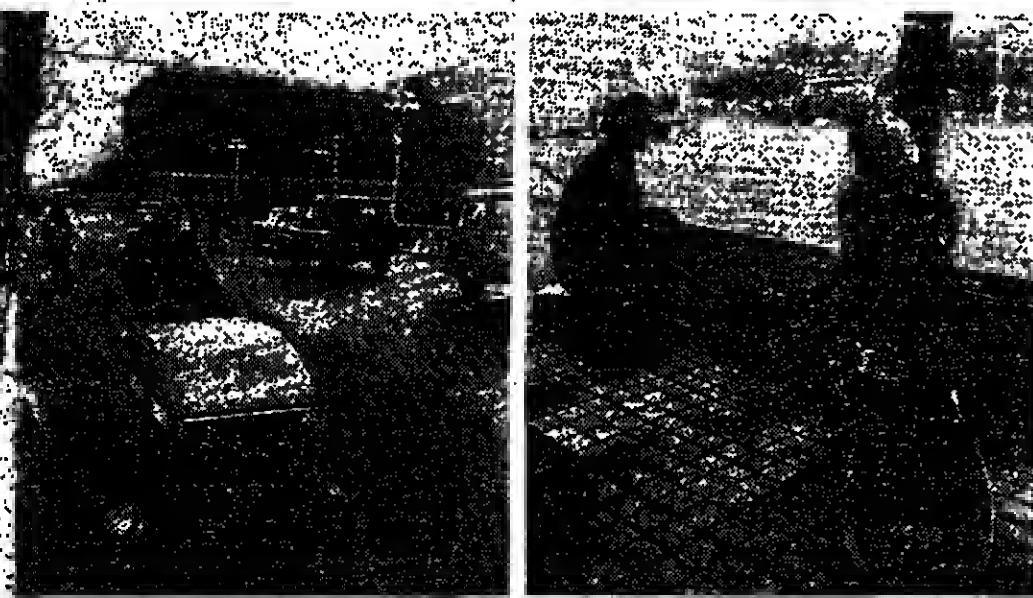
The Chinese capital has one of the highest pollution counts in the world. Not surprisingly, the incidence of respiratory disease is high in Peking as are lung cancer levels. The problem has been further aggravated in the past year because of the sharp increase in the number of motor vehicles. According to figures released this week the number of vehicles in Peking has jumped by 20-30 per cent in the past year.

At the youth conference, Mr. Wang announced a four-point plan to clean up the city. Measures proposed include the creation of more green areas through tree planting and also a programme of slum reclamation. Much of Peking's housing is in a bad state of disrepair.

In its long and turbulent history, Peking has had many ups and downs including the loss of its status as the capital on several occasions. It has certainly seen more unrest than most other world capitals. It has seen dynasties, it not empires, come and go from the Mongol to the Qing.

At the end of the 13th century Marco Polo commented on the golden age of Peking. "I believe there is not a place in the world to which so many merchants come and that dearer things and of greater value and more strange come into this town of Cambaluc from all sides than into any city of the world, and greater quantity of all things... and this happens because everyone from everywhere bring there for the Joder (Mongol emperor) who lives there and for his court and for the city which is so great... and for this reason which I have told more dear things and of great value come to this town and greater quantities than into any town in the world."

The aim of the clean-up campaign, according to the Peking municipality, is to make the capital into a modern, clean and beautiful city with a most developed cultural life, science and technology, and a model of



Old and new methods of clearing in Peking.

social order and moral standards.

A recent editorial in the Peking Daily called for the development of high-grade precision industries in place of heavy industry.

Town planning appears to have been completely neglected in the Chinese capital. It is commonplace to see relatively new industries belching smoke over residential areas.

The Peking municipality is drawing up a blueprint to implement recommendations from the Communist Party central committee for a new look Peking.

Grumblings in old Vienna

THE GLITTERING celebrations in Vienna this week marking the 250th anniversary of the State Treaty have temporarily helped to divert attention from a public row between Chancellor Dr. Bruno Kreisky, the grand old man of Austrian politics and Dr. Hannes Androsch, his 42 year old finance minister who is also vice-chancellor.

How to be rich and yet remain a Socialist leader, how to combine the job of the Finance Minister with the ownership of two chartered accountancy firms. These are the questions which have produced headlines during the past weeks in Austria. The arrest this week of one of the top directors of the company responsible for the construction of a \$1.5bn hospital complex in the capital and the setting up of various Parliamentary commissions to investigate the charges of corruption provide a sombre background.

The opposition People's Party and a number of Austrian papers pointed out that Dr. Androsch is at the same time the Cabinet Minister in charge of the entire complex since half of the vast sums are put up by the Federal State and the rest by the municipality of Vienna.

The hospital scandal gave a new push to the campaign against the Minister. Mr. Steinbauer, for example, disclosed that the Minister's firm has grown from a staff of ten to 50 and its turnover has also multiplied during his ten year tenure. Dr. Androsch sarcastically hit back saying that had he remained in charge of Consultation, the turnover would have been even larger.

However Chancellor Kreisky, a Socialist of the old school,

dislikes the impression that his deputy in the party and the government is generally regarded as a clever operator. Various vague and ambiguous trusteeship arrangements have been forced upon the reluctant Finance Minister who is supported by an invisible coalition of the union and business leaders. But the basic question of the incompatibility of business interests and public office in the sensitive field of taxes is still unresolved.

The longest serving and yet still one of the youngest Finance Ministers in the world is fighting for his political life with the help of a vast personal staff, including three press secretaries and strategically placed powerful friends in banking, business and media.

He was sitting next to the Chancellor in the first row at the celebrations. The main speaker was another chartered accountant and Vice-Chancellor in the 1960s, Dr. Fritz Bock, president of the supervisory board of Creditanstalt Bankverein, the number one bank. But as pointed out by the opposition, Dr. Bock on entering the Government in 1962 closed his office and transferred his stock of clients to another chartered accountant.

He reopened his office only 16 years later when he left government service, but then he was a "bourgeois" politician and not the deputy leader of the Socialist Party which stakes a claim to "a higher political moral," noted a wry observer.

Who works hardest in Brazil

In Milan they say it about the Romans, in Porto it is directed at the Lisbonans, and in Barcelona they moan about the Madrilenos. Its always the same story: these lazy good-for-nothing folks in the south don't do a thing all day but enjoy themselves while we up here in the north do all the work to keep this country going.

In Brazil the only thing that has changed in that traditional north v. south dialogue is the position of the sun—south of the equator. It is the southerners who allegedly do all the work while their northern cousins sit back and enjoy the fruits of their labour. Sao Paulo is 400 kilometres south of Rio de Janeiro, and as anyone will tell you in Sao Paulo the natives of that city, the Paulistas, who keep this country ticking over. The Paulistas, they will tell you,

are not just the hardest working people in Brazil but in all Latin America, while the Carocacs, the natives of Rio, are the laziest bunch of dilettantes not just in this continent but surely in the whole world.

The Paulistas are certainly justified in their claim to industriousness through their efforts Sao Paulo is the fastest growing city in the southern hemisphere, and second fastest in the world (currently its just being pipped by Mexico City in the growth stakes) and by the turn of the century greater Sao Paulo has high hopes of being the world's most populous conurbation.

Its achievements are already impressive. It accounts for more than 50 per cent of Brazil's total industrial output, 40 per cent of the country's total exports, and last year Sao Paulo's motor industry produced more than a million motor vehicles to make it the eighth largest motor manufacturer in the world. (Figures may be slightly down this year because of the first ever strike the Powerful Metal Workers Union).

Indeed, as one Paulista proudly put it, if Sao Paulo was an independent country it would be among the twenty richest nations in the world. But they have paid a high price for the economic miracle they have wrought. Traffic congestion, river pollution and a most unpalatable atmosphere: the 400 year old city was never designed with 12m inhabitants in mind. And when they speak so disparagingly about the Cariocacs in Rio one can detect a trace of envy. When I asked the media director of a large international advertising agency in Sao Paulo if perhaps I could talk to his counterpart in Rio when I arrived the next day, he sniffed and said, "Forget it—I can make an appointment for you but he won't keep it. He's a Carioca and they speed all their time out and about—either on the beach or in the bars."

The Cariocacs in Rio are unperturbed about the bad-mouthing they get down in Sao Paulo. They bask in the glory of their stunningly beautiful city and talk of those poor Paulistas with a touch of pity, laced with a little derision.

"Those Paulistas," snorted one chauvinistic Carioca, "they only work so hard for one thing. So they can earn enough money to come to Rio every weekend, or so they can afford to buy an apartment on Copacabana beach when they retire."

Contributors:
Tony Walker
Paul Lendvai
Robyn Wilson

TODAY—EEC Foreign Ministers meet in Naples.

TOMORROW—London taxi fares up by average of 25 per cent. General and Municipal Workers' Union annual congress opens, Bournemouth. National Savings monthly progress report (April). MONDAY—Index of industrial production (March-provisional). St. Francisco: Sa Carneiro, Prime Minister of Portugal, arrives in London at beginning of tour of major European capital. European Parliament in session, Strasbourg. Board of Investigation inquiry into grounding of Amoco Cadiz, 10, Upper Belgrave Street, London.

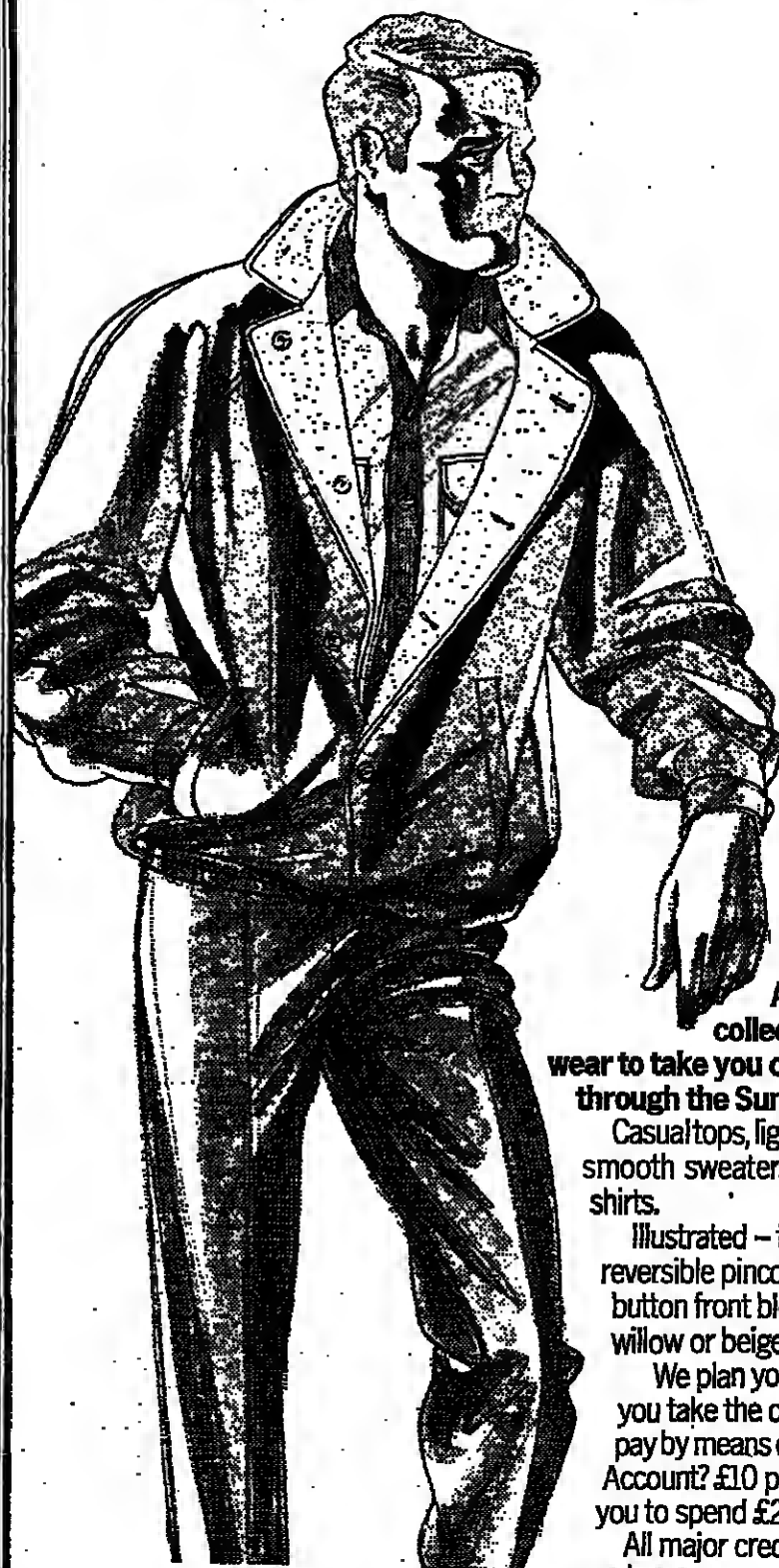
Economic Diary

TUESDAY — May provisional figures for unemployment and unfilled vacancies. Sir Geoffrey Howe, Chancellor of the Exchequer, at Confederation of British Industry dinner, Grosvenor House, London. Mr. Gordon Richardson, Governor of the Bank of England, attends Financial Times lunch to foreign bankers, Mansion House, London. Dr. Kurt Waldheim, UN Secretary General, arrives in London for talks.

THURSDAY—Mrs. Margaret Thatcher addresses Conservative Women's conference. CBI annual meeting followed by council meeting. London. Irish Prime Minister Charles Haughey arrives in London for talks with Mrs. Thatcher. Trades Union Congress council meeting. Cyclical indicators for the UK economy (April). Consumers' expenditure (first quarter—second preliminary estimate). THURSDAY—Mr. Len Murray, TUC general secretary, at American Chamber of Commerce luncheon, Savoy Hotel, London. House of Commons completes remaining stages of Housing Bill. Public sector borrowing requirement and details of local authority borrowing (first quarter). New vehicle registrations (April). First quarter provisional figures for manufacturers' and distributors' stocks, and capital expenditure by the manufacturing, distributive and service industries.

FRIDAY—Parliament rises for spring adjournment. Turnover of motor trades (first quarter). SATURDAY—Deadline for Olympic commitments to accept or reject invitations to Moscow.

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Second half upturn by Berec

THE second half of the year to March 1, 1980, has seen the battery manufacturer and engineer, Berec Group, stage a strong recovery. For the six months pre-tax profits increased from £9.16m to £14.03m, leaving the full year figure at £17.19m and cutting the shortfall to £3.11m.

At the interim stage a sharp decline from £11.14m to £3.15m was reported but the directors said the result for the 12 months should be satisfactory.

On turnover of £229.71m against £214.85m, trading profits finished only slightly lower from £20.17m to £19.48m. However, there was interest payable this time of £2.29m compared with interest receivable of £130,000.

For the period absorbed £5.18m (£7.51m) and, with an extraordinary credit of £186,000 against a debit of £1.21m, the attributable balance showed a £0.91m improvement at £10.17m.

Earnings per 25p share amounted to 15.12p (16.36p) and the net final dividend is 4.18p for a 5.48p (£3.18p) total taking £3.73m (£3.18m).

The group's major properties were valued at March 1, 1980 and the surplus of £19m attributable to shareholders has been credited to reserves.

Lex, Back Page

Gleeson 5% higher at halfway

REFLECTING THE rate of inflation rather than a higher level of output in real terms, turnover of H. Gleeson & Co. (contractors) rose by 13.33 per cent to £34m for the half year to December 31, 1979. And with pre-tax profits showing an increase of some 5 per cent from £27,000 to £40,000, the anticipated improvement in margins is still awaited.

Although group turnover for the second half will continue to keep pace with inflation, the board's view remains that work shortages in the public sector, particularly civil engineering, will lead to reduced levels of output in real terms.

Pending an upturn to Government expenditure on public works, profits will be increasingly dependent on the final settlement of past contracts and the group's successful activities in the private sector.

The net interim dividend is 0.9p (£0.225p) per 10p share—the 1978-79 total was 2.325p on pre-tax profits of £577,000.

Tax for the half year takes £250,000 (£248,000) giving net profits of £200,000 compared with £179,000.

CES HANDSHAKE

In its financial year to January 26, 1980, Combined English Stores Group paid compensation of £150,000 to a former director in respect of loss of office. A pension fund contribution of £50,000 was also made.

During the year, Mr. E. J. de Winter resigned from the board.

Results due next week

Analysts expect Tuesday's first-quarter figures from the Royal Dutch/Shell group to show an improving trend in underlying earnings, but with lower stock profits bringing the pre-FASST out-turn below the £784m earned in the final quarter of 1979. With good results already seen from Shell Oil and Shell Canada, a combined £420m could come from "current" earnings, helped up by stock profits variously estimated between £250m and £350m. For the full year, the squeeze on downstream margins anticipated at the New Year has only now begun to bite, but on the plus side natural gas prices are buoyant. Forecasters are penciling in £1.70n for the year before stock profits and FASST, roughly maintaining last year's level.

Also looking in first-quarter

Scottish sale concludes Tunnel rationalisation

Tunnel Holdings is bringing to a close a long chapter of rationalisation and reorganisation with the sale of its Scottish cement grinding, marketing and distribution operation at Gartsherrie, Lanarkshire.

The buyer is Ribblesdale Cement, which is jointly owned by Tunnel and Thom. W. Ward, and is paying book value for Gartsherrie of about £2m.

At the same time Tunnel announced that a new kiln of 740,000 tonnes annual capacity is to be built at Ribblesdale's Clitheroe works at a current cost of £22m. Tunnel claims that this kiln will come on stream at the end of 1982. It will use the more efficient dry process with limestone—Ribblesdale will be the second largest cement works in the UK.

Mr. J. D. Birkin, Tunnel's chairman, explained yesterday that until recently Tunnel had been supplying the Scottish market from its Padeswood works. He added, "Ribblesdale currently supplies an increasing

Amos Hinton slips £0.48m but steps up dividend to 4p

LOSSES in the discount stores division held back profits of Amos Hinton and Sons, food and drink retailer in the 52 weeks to March 1, 1980, and, despite a second half improvement in supermarket results, pre-tax profits were down from £1.36m to £878,000. The surplus at midway was £403,000 against £582,000.

But although inflation on costs, particularly wages and rates, is higher than inflation on goods sold, and competition is increasing, the directors say current sales performance is encouraging. They are increasing the dividend to 4p net (3.2968p) with a final of 2.2p.

Group sales rose from £65.34m to £76.71m. After tax of £53,000

C. & W. Walker drops to £0.23m

A VERY poor second half for C. & W. Walker Holdings, engineering contractor and maker of plant and equipment for the process plant and allied industries, meant that pre-tax profits for the year ended February 2, 1980 tumbled from £771,138 to £222,553, on increased turnover of £11.2m compared with £7.24m.

Results for the period were affected by the downturn in the capital goods industry, the indirect effect of prolonged national industrial disputes and high interest rates. Also, the C. & W. Walker heavy fabrication works incurred a considerable loss.

First-half profits, before tax, had risen by £7,000 to £340,000, but Mr. G. Lewis, the chairman, predicted that final results would not be as good as in the previous two years.

In some areas of the group, order intake since the middle of 1979 has been very poor and heavy engineering markets are likely to remain depressed for some time, he now reports.

As expected, a net final dividend of 2p (adjusted 1.71p) effectively raises the total by 14 per cent from 2.95p to 3.35p per 25p share. Stated earnings dropped from an adjusted 13.42p to 8.33p.

Mr. Lewis says it is difficult to forecast the trading outcome, or

maintain or slightly exceed last year's £10.3m, pointing towards a full-year pre-tax total of £21m against earlier hopes of £25m. Analysts say the dividend is likely to be maintained at last year's 6.02p net for the year.

Market hopes put a ceiling of £12m on preliminary profits to be announced by Boots on Thursday. The majority of forecasts look for £12m against 1979's £11.3m. Interim profits at £50.5 were a little down, but the second half, with increased retail demand and a satisfactory Christmas season, industrial profits should start moving ahead more strongly after two years in the doldrums, and with increased domestic sales plus improved retail performance abroad, bullish analysts see £135m for the current year. Outside

Company	Announcement due	Dividend (p)	Dividend (p)	Dividend (p)
Announcement due	Int.	Final	Int.	Final
Advance Laundries	Wednesday	0.325	1.768	0.3
Allied Irish Banks	Wednesday	2.33333	3.33333	2.75
Shoggon's Group	Monday	2.528	4.75	4.21
Scott's Group (The)	Wednesday	1.0	1.0	1.0
Branar Trust	Wednesday	1.15	2.1567	1.3
British Syphon Industries	Monday	0.5	1.32	0.6
Caledonia, Robey	Monday	1.5	1.65	0.5
Carrington	Monday	0.85333	1.148	1.1
Chamberlain and Hill	Wednesday	1.7708	4.3243	2.0417
Debenhams	Wednesday	2.07615	2.26278	2.26308
Outpost	Monday	0.35	0.65	0.45
One Penny & Explorer	Monday	—	0.7	—
Evered Holdings	Tuesday	2.75	3.95	3.25
Exploration Co.	Tuesday	1.442	4.218	1.688
External Investment Trust	Tuesday	0.8	1.1488	1.0
Fair Art Developments	Tuesday	3.85	6.274	3.85
Furness Wharf	Thursday	1.5	2.6	1.5
Hamroes Investment Trust	Thursday	1.5	2.6	1.5
Horwells Group	Monday	0.8567	2.1133	1.788
Hawker Martin	Monday	1.97	5.17	—
Heath (C. E.)	Tuesday	1.67198	3.8003	3.98976
Hill Bros.	Friday	1.57729	5.45	2.5
Land Securities Invest. Trust (The)	Wednesday	1.5	2.1	1.75
London Atlantic Investment Trust	Tuesday	1.25	2.1	1.4
London and Northern Group	Wednesday	1.25	1.95	2.0
London Prudential Investment Trust	Wednesday	2.0	2.75	2.25
London Trust	Wednesday	1.0	—	—
Manchester Liners	Tuesday	0.8	1.3	0.72
Outpost International	Monday	0.03277	2.1372	—
Paramount & Sunderland Newspapers Press (William)	Thursday	0.457	0.5889	0.8
Pritchard Services Group	Thursday	0.86064	1.0122	0.8
Progressive Securities Investment Trust	Wednesday	1.05	2.14	1.25
Radiant International	Monday	0.85671	2.4455	0.85671
Samuel (M.)	Monday	0.85671	2.4455	0.85671
Scott and Robertson	Tuesday	1.532	1.532	1.532
Shire Investment	Tuesday	3.0	5.73291	3.0
Shire Investment Trust	Tuesday	3.0	5.73291	3.0
Stonhill Holdings	Wednesday	3.5	4.5	4.0
Toys and Co.	Wednesday	—	4.0281	—

DIVIDENDS ANNOUNCED

Company	Current payment	Date of payment	Corre. dividend	Total last year
Berec	4.3	July 10	3.58	5.5
J. Bilsam	3.6	July 25	2.59	4.8
Forward Techno. 2nd Int.	3.3	Nov. 28	2.7	5.6
M. J. Gleeson	0.9	July 4	0.83	—
Amos Hinton	2.2	July 15	1.7	4
Spencer Clark Metal Int.	1.1	July 18	0.96	—
C. and W. Walker	2	—	1.71	3.35
Thom. Warrington	2.88	July 14	2.16	3.54

Dividends shown pence per share net except where otherwise stated. * Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

proportion of Gartsherrie's cement needs and the increase in output from his new kiln will guarantee the long term supply to this Scottish market."

Padeswood, meanwhile, has been loaded up heavily with orders for cement from the North Wales, South Lancashire and Birmingham areas.

Mr. Birkin said the expansion at Ribblesdale was justified by the lower production costs of the dry limestone method. He stressed moreover that the recent cement price increase "provided encouragement in respect to future pricing policy and has been a critical factor in the final decision to proceed with this major investment."

price-cutting problems had earlier taken their toll. There should be some recovery this year, but in common with much of the rest of the retail sector wage and other costs are rising faster than group sales. At 66p, down 2p, the yield on a 21 per cent higher total net dividend is 8.9 per cent and the p/e on fully taxed earnings is 8.4.

JOHN FOSTER

In yesterday's report on John Foster and Son the chairman's name should have read Mr. Douglas Smith, not Mr. G. B. F. Grant who is deceased. We deeply regret any distress this error may have caused.

Increased loss for Peak Investments

Mainly reflecting a poor performance from Peak Trailers, losses at Peak Investments increased from £184,201 to £195,515 for the half year to November 30, 1979, on lower turnover of £1.62m, compared with £1.65m. There is again no tax charge.

In addition, the company's belief that it would return to profit in the second half has not been borne out. The steel strike

combined with a severe recession in the caravan industry has badly affected turnover and losses have continued throughout the period. There is again no interim dividend—the last payment was a single dividend of 5p for 1976-77.

For the year ended May 31, 1979, loss before tax reached £207,179.

Production at Peak Trailers was disrupted by the move to new premises and the engineering strike, but overheads have been substantially reduced by the move.

Touring chassis and related activities have to be closed because of lack of demand. Proceeds from the sale of the building used will go to reduce borrowings.

During the second half, the sales of two properties for £380,000, and part of the group's premises at Woodbank Works, Stockport, excess of book values. Besides reducing borrowings, the proceeds have been used to provide additional working capital.

Company	Announcement due	Dividend (p)	Dividend (p)	Dividend (p)
Announcement due	Int.	Final	Int.	Final
Transatlantic and General Investments	Tuesday	2.5	2.75	2.8
Whitbread	Thursday	1.2	1.45	1.5
Witan Investments	Thursday	1.2	1.45	1.5
Associated Engineering	Thursday	0.40726	1.85732	1.85732
Associated Rubber	Wednesday	4.0	6.3571	—
BOC International	Wednesday	1.9	2.3	—
Brookhouse	Monday	1.6	2.5	—
Cambridge and General Securities	Monday	0.5	1.0	—
Cardiff Property (The)	Tuesday	0.85	1.2	—
Carroll (John) (Investments)	Tuesday	0.85	1.2	—
Centricore	Monday	3.3	4.92	—
Pepper (L. H.) (Holdings)	Friday	—	1.0	—
Hamfry	Tuesday	0.5	1.75	—
Kelley Industries	Tuesday	1.5	4.85	—
K. Shoes	Thursday	0.7	1.25	—
London & Dist. Dyes & Finishes	Monday	2.6125	5.8875	—
Management Agency and Music	Thursday	0.75	2.25	—
Murphy (The)	Monday	1.0	1.0	—
Northern American Trust (The)	Tuesday	1.7	3.42	—
Northern Industrial Investment Trust	Friday	1.5	4.78	—
Portland Investment Trust (The)	Tuesday	2.25	6.0	—
Plaxton (Scarborough)	Tuesday	5.28	11.27	—
Rodman National Glass	Wednesday	2.0	2.0	—
Rodman Heenan International	Thursday	1.856	2.212	—
Scottish Investment Trust (The)	Wednesday	0.5	1.0	—
Silverburn Group	Monday	2.55	9.91087	—
Stalco (Rae) Organisation (The)	Monday	—	0.4	—
Unicore Industries	Wednesday	0.8	1.35	—
Westwood Television	Tuesday	1.0	1.75	—
Williams (John) of Cardiff	Tuesday	0.5	1.25	—
Yorkshire & Lancashire Invest. Trust	—	—	—	—

* Dividends shown net pence per share and adjusted for any intervening scrip issue. † Includes non-recurring dividend of 1.46p. ‡ Includes special dividend of 3.9767p due to the lifting of dividend restrictions. § Second interim dividend of 0.65p. ¶ Following are the changes in the tax rate: a 0.0225, b 0.0229, c 0.022, d 0.04047, e 0.1355, f 0.05088, g 0.05772, h 0.0340355, i 0.1376, k 0.0422, m 0.07, n 0.438.

Eleco £1.25m rights issue

Eleco Holdings is raising £1.25m of new finance by way of a rights issue of 2,428,363 10p shares at 54p a share. The new shares will be offered to shareholders on the basis of one for every five held. In the market the shares fell 5p to 62p.

Applications for allotments will be sent on May 21, and it is expected that dealings in the new shares will begin on May 22.

The funds are to be used to finance the construction of further units of the Belcon Industrial Estate at Huddesdon and the redevelopment of the St. Albans Industrial site. Serious consideration is also being given to the construction of small unit factories adjacent to the concrete works on the group's 13-acre Littlehampton industrial site. The cost of all these developments would be in the region of £2m.

Despite the disruption in supplies of structural steel during and subsequent to the steel strike, the company expects that pre-tax profit in the year ending June 30, 1980 will be similar to the £1.61m earned in the previous year. Order books throughout the group are holding up well so far and development prospects of the group's industrial sites are encouraging.

On this forecast, the board would propose to recommend a final dividend of 2.3p per ordinary share for which the new shares being issued would rank. The interim dividend was 1p.

The issue has been underwritten by S. G. Warburg and Co. and Casenove and Co. are brokers.

Peerless more than 13 times oversubscribed

The offer for sale of 3.18m 25p shares of Peerless has been oversubscribed, with applications for 43.7m shares received. Orders for 3,000 shares or more will be 6.8 per cent filled. Orders for 2,500 or less will be allotted 200 shares each in a weighted ballot. Orders for 214,000 shares from employees will be allotted in full.

Allotments will be posted on May 20 and dealings will begin on May 21.

City Road sets out terms on Movitex debt

Terms have been outlined by City Road Securities for the settlement of its proceedings for repayment of £100,000 it is owed by Movitex, the plastic signs and gramophone records group.

Under the arrangement, Movitex would surrender the lease of its 100 premises in return for a new lease at current market rent.

The balance due to City Road, including arrears of rent and interest, are not expected to exceed £50,000 and would remain outstanding on terms to be agreed.

Mr. R. W. Bullfield, the former chairman of Movitex who was unseated at November's annual meeting, and Mr. A. P. Perry, another former director, are directors of and shareholders in City Road.

Two Movitex directors subsequently appointed, Mr. C. W. F. Ross and Mr. D. M. Macdonald, have now resigned.

Mr. Bullfield retains a beneficial interest in 332,376 Movitex shares, 11.9 per cent of the issued capital.

Midland to take 19% car rental stake

A subsidiary of Midland Bank is to take a significant stake in the short term car rental business which Europcar intends to buy from Godfrey Davis.

Midland Bank Industrial Investments has entered into the agreement with Europcar under which, after the offer becomes unconditional, it will subscribe for cumulative participating preferred ordinary shares in Hire Company, Godfrey Davis's vehicle rental business. Assuming the offer is accepted in full, Midland will subscribe a sum of about £4.6m for such shares which would represent 19 per cent of the total Hire Company equity. The clearing bank offshoot stated yesterday that it "welcomes the opportunity" which this investment will provide of association with Europcar, a member of the Renault car manufacturing group.

As known, Godfrey Davis is to be reorganised into two new holding companies: Hire Company and Godfrey Davis (Holdings) which will control the group's remaining interests

Takeover Panel censures Unigate over bid terms

Unigate and its financial advisers, J. Henry Schroder Wagg, have received an unprecedented rap over the knuckles from the Takeover Panel, which wants it to revise or withdraw its increased £12.7m bid for Clifford's Dairies.

The panel's executive feels that Unigate is offering far too high a premium for Clifford's voting shares compared with its terms for the non-voting stock.

Normally, the panel sees a 20 per cent premium as the top end of the premium range for voting shares. Unigate, however, is offering one of nearly 100 per cent in its new bid.

No immediate comment was available from Unigate. The bid is being strongly rejected by the Clifford and Smith families who control over 60 per cent of the voting shares. Schroder Wagg said no decision on how to respond to the panel had been taken yet.

The panel's decision was taken on its own initiative and not at the prompting of Clifford's. If it wishes, Unigate may appeal to the full panel, on which 12 financial organisations are represented under the chairmanship of Lord Shawcross.

Unigate, which already owns a small proportion of both classes of Clifford's shares, is offering 200p cash for each voting share and 108p for the non-voting. Previously, it bid 120p for the voting units. Its first bid foundered because Clifford's shareholders nullified the pre-condition that a £1.5m rights issue should not be proceeded with.

voting shares of Clifford's, which operate mainly in Berkshire and Oxfordshire, were suspended at 195p yesterday at the company's request, pending news of the panel's decision.

Unigate's shares closed unchanged at 16p. At this level, the share exchange part of its bid is worth 174p per Clifford's voting share and 104.4p per A non-voting share.

Officials said it was surprising

that the bidder and its advisers had not previously approached the panel. In previous cases such as the rival Rival and GEC bids for Decca, which also had two types of shares, the panel indicated what sort of premium it found acceptable, or been asked this by the bidding company.

MAURICE JAMES SELLS OFFSHOOTS FOR £720,000

Maurice James Industries has sold two subsidiaries, Marcroft Engineering and York Trust Securities, to a subsidiary of Storage and Transport System, the British arm of N.V. van der Vliet, Europe's largest railway services group, for £720,000.

The disposals, both involved in railway wagon maintenance and engineering, had a net asset value of approximately £580,000 and contributed £51,000 to Maurice James' 1979 profits.

Lonrho in renewed attack on House of Fraser board

Lonrho has fired off a further blast against House of Fraser, the store group in which it owns nearly 30 per cent, saying it wants Board changes and repeating its desire for a higher dividend.

In a letter to shareholders of Fraser, which owns Harrods, it said there was enough cash at the company to pay for a final dividend of 5p a share instead of the 4p already declared.

House of Fraser has argued that the level of dividend sought by Lonrho, the international trading conglomerate, is far higher than its earnings for last year justify in real terms.

Lonrho did not spell out what it wanted to do with the share at Fraser. The company told the Monopolies Commission two years ago that it would oppose a bid from Lonrho although recognising the influence its investment would bring.

"We have had experience since then," Lonrho's latest document said yesterday, "that the collective anxiety of the opposing directors... has regrettably stood in the way of forming a constructive joint policy for the future."

"We must therefore look for a change in the Board," Lonrho added. It intends to say more about this and the dividend disagreement in another letter to Fraser shareholders before the June 19 annual meeting.

The English Association of American Bond and Share Holders is to make an agreed bid for Steaua Romana (British) which values the acquisition at £205,000.

The English Association, on behalf of The English Associa-

tion Finance Company, will make cash offers of 10p for each of the 2m ordinary shares, and 1p for each of the 500,000 deferred shares.

If Steaua receives from the Foreign Compensation Commission a further amount exceeding £57,778 before December 31, 1980, E. A. Finance will, if offers have been declared as conditional, pay a further cash sum equivalent to the first £14,444 and a sum equivalent to one half of any amount received in excess of a total of £72,222 pro rata to each ordinary shareholder accepting the offer in proportion to their holding, amounts of less than £1 will not be distributed.

The directors of Steaua unanimously recommended acceptance. They and others holding 300,178 deferred (60 per cent) and 615,000 ordinary (30.7 per cent) have irrevocably agreed to accept.

On the offer being declared unconditional, Mr. R. M. Cox Johnson, Mr. R. Shaw and Mr. C. J. Spence will be invited to join the board, and existing directors will resign. E. A. Finance proposes to place the deferred shares and the ordinary shares acquired with the proposed directors of SR and investment clients of the English Association.

"The policy of new board will be to maintain the historical connection with the oil industry by primarily investing the assets in oil exploration or producing companies and other extractive industries, both in the UK and abroad."

English Assoc. agrees terms for Steaua

The English Association of American Bond and Share Holders is to make an agreed bid for Steaua Romana (British) which values the acquisition at £205,000.

The English Association, on behalf of The English Associa-

Plumcloud in agreed £2.44m offer for Drilling Tools

THE FOURTH bid for Drilling Tools North Sea worth £2.436m has been approved by the board. An offer of £7.10 a share by ICFC Corporate Finance on behalf of its Plumcloud subsidiary is considered to be fair and reasonable and shareholders are strongly recommended to accept.

The "B" ordinary offer of £7.10 per share is matched by a cash offer of £234.54 cash per "A" share, an alternative of 120 £1 shares plus 54p in cash for each DTNS "A" share and one £1 ordinary share for each "B" ordinary share.

The offer is conditional upon the acceptance of not less than 90 per cent of both "A" and "B" shares, or not less than 75 per cent of the holders of each class. Plumcloud already owns 12.38 per cent of the "B" equity and has now received irrevocable undertakings to accept in full the offer of a further 25.44 per cent of the "B" equity. Plumcloud's offer through a loan and equity subscription and East of Scotland Onshore, a public but unlisted energy services specialist company, will acquire certain of the Plumcloud shares subscribed by ICFC.

This is the second time that DTNS has accepted an offer from ICFC. The first offer of £6.50

Cowie stresses long-term benefits of Ewer takeover

SUNDERLAND-BASED motor dealer T. Cowie will suffer a decline in earnings per share if it succeeds in its contested £5.3m bid for motor distributor and coach operator George Ewer, but Cowie shareholders are assured by their Board that this will be outweighed by longer-term benefits of the deal.

Cowie's offer document, issued yesterday with a covering letter to its own shareholders, provides further details of the cash-and-shares offer. A pro-forma balance sheet for the enlarged group shows shareholders' funds of £12.27m supporting borrowings and loan capital totalling £10.41m.

The bid offers Ewer shareholders a package of cash and convertible cumulative preference shares worth 65p per share, but this will drop to 53p if Ewer carries through its agreed bid for Eastern Tractors (Holdings). The Cowie board, which believes the acquisition of

SHARE STAKES

S. Pearson and Son—M. W. Burrell, director, has sold 35,900 shares.

Neil and Spencer—Neil and Spencer, directors, have sold 25,000 shares.

Dundonald—Burns, Munro and Co. has sold 45,000 ordinary shares (holding to 965,000 ordinary shares per cent).

Eastern would be detrimental to Ewer, warns Ewer shareholders that it sees the possibility of a refusal by the Stock Exchange to register the shares being issued in consideration of the offer. According to Cowie, the stakes could be that Ewer is bound not to issue shares altering control of the company without general meeting approval.

By Cowie would not carry out its rights, unless dividends were in arrears or winding up was considered.

CEYLON & INDIA PLANTERS HELDS

Ceylon and India Planters Holdings has asked the Stock Exchange to withdraw dealing facilities for its shares under Rule 163 (ii) after receiving proposals for a merger and reverse takeover by an unnamed company.

The proposals, which the board says would be advantageous to ordinary and preference shareholders, would lead to a merger with another company in the form of a reverse takeover coupled with a cash offer for the shares.

The proposals are not finally agreed, may give preference shareholders the opportunity to convert their holdings into ordinary shares.

SUMMARY OF THE WEEK'S COMPANY NEWS

Take-over bids and deals

Standard Brands of the U.S. has withdrawn its offer for tobacco and drinks group Liggett following an increased bid for the latter from Grand Metropolitan. The higher offer worth \$69 per Liggett common stock and values Liggett at \$670m.

Monday's Stock Exchange session was enlivened by a surprise offer for British Sugar Corporation from commodity traders S. & W. Berksford, which the former's board has rejected stating that a referral to the Monopolies Commission was expected. The terms, 3 Berksford plus 383p cash for every 4 British Sugar value the whole company at £118.8m. The government is interested in 24.17 per cent of BS, and has received representations from the National Union of Agricultural and Allied Workers to "refuse to sell off its share in this partly-nationalised British industry."

A week after its original offer for Clifford's Dairies lapsed, Unigate came back with a higher bid which values the former at £14.42m. Unigate is now offering 3 of its shares for every 2 Clifford's with a cash alternative of 200p per share. The terms for the A are unchanged from the first offer at 9 Unigate shares for every 10 Clifford's A, or 105p cash per share. Once again, Clifford's has rejected the offer.

Sunderland motor dealers T. Cowie, which has been sitting on a 29.96 per cent stake in coach operators George Ewer since late last year, has finally announced offer terms for the remaining equity which value the whole of Ewer at £9.3m. Cowie is offering basic terms of 14 1/10 per cent Convertible Redeemable Preference shares plus £38.50 cash for every 100 Ewer shares. Taking the Preference at par, the bid values Ewer shares at 524p each, but the offer would be raised to 55p if Ewer's proposed acquisition of Eastern Tractors is allowed to lapse. Ewer has rejected the offer as "wholly inadequate."

Stockbrokers Simon and Coates are taking the unusual step of acting as principal in offering 30p cash per share for Essex mechanical engineers Christy Bros. The bid values Christy at \$9.9m. If successful, Simon intends to sell the acquired holding to its institutional clients, already holding 8 per cent of the equity they would be represented on Christy's board by Mr. John Dyer, the former head of Armstrong Equipment's fastening and light engineering division who resigned from the latter on Thursday and who speaks for a further 10 per cent of Christy.

Company	Value of bid per share	Price before bid	Value of bid per share	Price before bid	Final bid	Acceptance date
Assam Ind. M.	150p	148	119	4.23	Inchcape	19/5
Target	12p	19	11	8.56	Tinnox	—
Bishopsgate Prop.	5p	5	5	0.38	Bkly. Hambrs	—
Bowling (C.T.)	196p	153	141	182.3	March and McLennan	—
British Sugar	201p	202	186	120.9	Berksford (S & W)	—
Christy Bros.	30p	33	23	0.80	Simon & Coates	—
City & Ind. Tr.	13p	127	128p	18.82	Guthrie	—
Clifford's Dairies	200p	195p	112	3.50	Unigate	—
Clifford's Dairies A	590p	68	498	19p	Unigate	—
Cray Elect.	31p	34	35p	0.95	Thargmtn. Tr.	—
Deloit Tea	270p	275	215	0.29	Tategold	—
Ewer (George)	52p	51p	50	6.50	Cowie (T.)	—

Gibbs (A.)	55p	83	82	9.80	HK & Shanghai
Hoffnung (S.)	88p	86	74p	15.51	Burns Philp
Lidstone	280p	380	280	0.51	Greenwalk
LK Ind. Invs. Tr.	161p	170	161p	0.20	Caparo Invs.
Land & Franch.	500p	48	287p	9.12	Reed Ind.
Maple	35p	35	27p	9.90	Waring & Gillow
Nationwide	6p	6p	9	0.66	Ranledge
Leisure	10p	14	24p	0.05	Pullman (R. J.)
Paradise (B.)	56p	56	69p	22.4	MYI
Status Discount	87p	85	48p	8.07	J. Hephworth
Turner (W. & E.)	305p	214	51p	—	Sum Co.
Viking Oil	625p	214	10p	—	Hunt. Int.
Viking Oil	450p	214	210	—	Petroleum
Wilson Bros.	37p	35	21	3.17	Fine Art Devs.

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Combined market capitalisation. ** Date on which scheme is expected to become operative. *** Based on 16/5/80. †† At suspension. ‡‡ Estimated. §§ Shares and cash. §§ Unconditional. †† Plus royalties.

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)	Interim dividends per share (p)
Alroyd & Smiths	Mar.	12,180 (9,390)	7.0 (5.0)
Anglo-Scottish	Mar.	816 (496)	1.3 (0.8)
Associated Paper	Mar.	256 (873)	1.21 (1.21)
Baggeridge Brick	Mar.	278 (215)	1.25 (1.25)
Brown (Matthew)	Mar.	1,590 (1,540)	1.25 (1.25)
Commercial Unn.	Mar.	26,300† (25,400)†	— (—)
Dunhill	Mar.	727 (511)	0.85 (0.59)
General Accident	Mar.	13,300† (9,500)†	— (—)
Herman Smith	Jan.	97 (7)	0.25 (0.25)
Jenks & Cattle	Jan.	140 (71)	1.5 (1.3)
Jessups	Feb.	77L (373)	1.0 (1.0)
J.F.B.	Mar.	4,040 (4,020)	1.3 (1.3)
Lloyds & Scottish	Mar.	11,000 (12,260)	1.87 (1.87)
N.E.S. Newsagents	Mar.	2,552 (2,128)	1.2 (1.0)
Ranks Hovis	Mar.	20,220 (19,060)	1.52 (1.45)
Riley (E. J.)	Jan.	345 (403)	1.25 (1.25)
Royal Insurance	Mar.	25,500† (12,800)†	— (—)
Trafalgar House	Dec.	19,340 (16,320)	2.5 (2.11)
Unilever	Mar.	138,200† (128,400)†	— (—)
United Scientific	Mar.	2,550 (1,820)	4.0 (3.3)
Warner Bros.	Mar.	700 (654)	3.0 (1.6)
Woodworth (F.W.)	Apr.	2,850† (7,510)†	— (—)
York Trailer	Mar.	180L† (80L)†	— (—)

(Figures in parentheses are for corresponding period.)
† Dividends shown net except where otherwise stated.
‡ Adjusted for any intervening scrip issue. † First quarter.
§ For previous nine months. ¶ Profit after allowing for a provision for rebate, tax, minorities and transfer to contingencies.

Scrip Issues

Holt Lloyd International—Two for one.
Whitbread Investment Trust—One for two.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)	Earnings* per share (p)	Dividends* per share (p)
Barr & Wallace	Dec.	1,900 (2,450)	25.0 (27.2)	6.75 (3.5)
Beattie (James)	Jan.	4,110 (3,900)	15.7 (13.9)	4.5 (3.11)
B.H.S.	Dec.	41,830 (33,580)	30.0 (22.1)	8.75 (7.0)
British Borneo	Jan.	1,590 (821)	22.9 (11.1)	16.75 (7.53)
British Northrop	Dec.	638L (116)	— (4.5)	— (3.0)
Booth Ind.	Dec.	80L (638)	0.6 (10.5)	1.58 (4.89)
Buimer & Lumb	Mar.	1,010 (2,240)	6.7 (12.5)	3.52 (3.47)
Canter	Dec.	171 (42)	3.1 (3.5)	4.02 (4.02)
Charles Cyder	Mar.	6,270 (2,580)	10.1 (5.2)	2.5 (1.03)
Caterpillar	Apr.	983L (1,150L)	12.7 (26.6)	21.0 (19.08)
Coats Patons	Dec.	63,630 (71,210)	12.2 (14.5)	4.0 (3.74)
Derfend Stamp.	Feb.	1,920 (1,360)	56.7 (38.0)	12.7 (11.02)
Europ. Ferries	Dec.	27,000 (25,870)	23.2 (22.7)	4.5 (3.11)
Folkes (J.) Hefo	Dec.	3,380 (3,500)	7.3 (5.8)	1.26 (1.14)
Foster Brothers	Feb.	10,710 (9,730)	12.9 (12.6)	3.19 (2.5)
Foster (John)	Feb.	229 (888)	1.5 (12.6)	1.5 (2.5)
French Kier	Dec.	9,270 (7,590)	10.2 (9.2)	1.55 (1.1)
Heal and Son	Jan.	1,920 (490L)	— (—)	— (—)
Hell Lloyd	Mar.	5,030 (3,510)	30.9 (15.2)	9.5 (7.75)
Helt (Joseph)	Dec.	978 (803)	19.9 (14.3)	9.0 (2.43)
Hunting Assoc.	Dec.	6,330 (5,900)	38.9 (34.7)	5.0 (2.44)
King & Shaxson	Apr.	575L (709L)	6.4 (7.9)	7.14 (5.65)
Kwik-Fit	Feb.	1,190 (612)	6.0 (6.2)	1.34 (0.92)
Lee Cooper	Dec.	9,210 (8,900)	41.9 (27.7)	3.65 (2.23)
Leach (William)	Feb.	3,020 (2,940)	17.5 (13.3)	6.6 (6.64)
Macdonald Martin	Dec.	1,330 (1,300)	60.2 (50.1)	11.5 (7.78)
Mele (M.) & Son	Dec.	151L (56)	— (2.2)	— (0.41)
More O'Ferrall	Dec.	2,790 (1,570)	19.8 (11.4)	5.0 (3.0)
Newman Inds.	Dec.	379 (6,220)	— (16.5)	1.5 (4.9)
Parish (J. T.)	Dec.	47L (189)	— (13.7)	— (4.41)
Sellars	Jan.	2,060 (4,560)	3.1 (7.0)	1.55 (3.35)
Shelburne	Dec.	1,330 (1,311)	— (2.7)	— (2.32)
UDS	Feb.	24,120 (27,820)	10.4 (13.2)	3.51 (5.65)
United Eng.	Jan.	2,310 (1,530)	10.1 (7.7)	3.65 (2.43)
Usher Walker	Dec.	295 (214)	9.6 (7.4)	4.07 (3.61)
Warford Invs.	Dec.	2,140 (1,800)	11.0 (10.5)	9.0 (7.64)
W. Brown Spring	Dec.	481 (380)	4.3 (2.6)	1.3 (1.09)
Whitbread Inv.	Mar.	3,500 (3,020)	5.7 (4.6)	5.5 (5.55)

Offers for sale, placings & introductions

Home Farm Products—Placing 1.2m ordinary 10p shares at 55p each.
Aircal—Placing 888,856 25p shares at 150p per share.

Rights Issues

Automated Security—To raise £3.1m by way of a rights issue of convertible unsecured loan stock on the basis of £3 of 8 per cent stock for every 10 ordinary shares and £6 of stock for every nine convertible redeemable preference shares at par.
N.S. Newsagents—Raising £4.1m through a rights issue of 10 per cent convertible unsecured loan stock on the basis of £1 stock for every four ordinary shares.
Crest Nicholson—Rights issue on the basis of one for four at 50p per share to raise £2m.

Results and accounts in brief

WARO WHITE GROUP (footwear, engineering, retail) 1979 reported April 23. Group fixed assets £11.62m (£10.13m). Group current assets £14.29m (£13.4m). Bank balances increased £2.17m (£2.68m decrease). Chairman says in current year the business at home has been partially offset by an increase in overseas sales. Group has an improvement in U.K. trading conditions in second half of 1980, he is hopeful of a satisfactory full year outcome. Meeting, Hilton Hotel, W. June 12, noon.
WALTER RUNCIMAN AND CO. (shipping and freight agents)—Met first dividend for 1979 is 2.5p making 3.75p (same) total. Group turnover £42.76m (£37.67m). Profit after tax and extraordinary items £22,528 (£28,194 loss). Tax £167,538 (£21,311). Attributable £496,022 (£383,380). Dividends: Cost £267,718 (same). Earnings per share before extraordinary items 11.5p (18p loss) after extraordinary items 5.3p (77p loss). Extraordinary items charged against earnings £38,022 for minority loss and £424,955 for losses on sale of bulk carmen and business closure.
YOUNG COMPANIES INVESTMENT TRUST—Results for year to March 31, 1980. Final net dividend 3.8p (2.6p), making the total 5.3p (4.2p). Pre-tax £4.9m (£5.74,582) (£425,721) to £178,574 (£138,692). Stated earnings per £1 share 5.07p (£4.42p); net asset value 123.1p (£122.7p) at March 31, 1980 and 126.4p at May 1.
CHARLES HILL OF BRISTOL (civil engineering, building, property, ship repairing and transport)—Results for 1979 reported April 23. The board is hopeful that continued policy of streamlining the business will prove successful. Group fixed assets £1.51m (£1.47m), net current assets £0.92m (£1.06m). Shareholders' funds £2.26m (£2.38m). Meeting, Bristol, June 3 at noon.
AYRESHIRE METAL PRODUCTS (light engineering, metal fabrication)—Results for 1979 reported May 1. On CCA basis, historical pre-tax profit £1.6m advanced to £1.41m (£1.5m) (£899,000). Group fixed assets £2.59m (£1.88m), net current assets £1.5m (£1.35m). Shareholders' funds £3.03m (£2.59m). Capital expenditure £1.03m (£0.12m) of which £0.72m (£0.03m) authorised but not contracted for. Meeting, Irvine, May 30, at 3.30 pm.
ELECTRICAL AND INDUSTRIAL SECURITIES (process and hydraulic equipment, aircraft galley, structural and engine components)—Results for 1979 with prospects reported April 22. Group fixed assets £5.23m (£4.33m), net current assets £0.74m (£0.2m). Shareholders' funds £4.0m (£3.03m). Funds increased by £80,326 (£1,121m decrease). Ex-gratia payment to former director £27,946 (nil). Meeting, Brewers' Hall, EC, June 3 at noon.
ELBAR INDUSTRIAL (motor vehicle distribution, agricultural and special products)—Results for 1979 reported April 24. Group fixed assets £5.15m (£4.67m), current assets £23.9m (£17,880m), current liabilities £13.2m (£18,880m). Working capital up £0.71m (£5.37m). Chairman says trading in first three months of 1980 has been exceptionally difficult and profitability for half year will be disappointing. The board is hopeful of some recovery in second half. Tanka Consolidated Investments held 72.05 per cent of equity at April 23. Meeting, Chartered Insurance Institute, EC, May 28, at 10.30 am.
LEYLAND PAINT AND WALLPAPER—Results for 1979 with prospects reported March 28. On CCA basis, historical pre-tax profit £1.6m advanced to £1.72m. Group fixed assets £5.88m (£5.33m), net current assets £4.25m (£3.98m). Market resources increased £584,000 (£175,000 increase). Meeting, Leyland, May 28, at 2.30 pm.
EXCHEM HOLDINGS (explosives, chemicals, engineering and fertiliser group)—Results for year ended September 30, 1979, as known. Current assets £9.8m (£8.29m), current liabilities £7.57m (£4.60m), working capital increased by £208,631 (£26,720). Chairman states that he cannot see how the ratio of profit against turnover can be improved, as interest rates are even higher. Meeting, Commonwealth House, London, WC, May 22, at 11 am.
H. COLE (plastics, chemicals, electronics)—Results for 1979 reported April 23. On CCA basis, historical operating profit reduced by £285,000. Group fixed assets £5.27m (£5.21m), net current assets £3.02m (£3.9m).

SPAIN
May 16
Banco Bilbao 203
Banco General 217
Banco Exterior 200
Banco Hispano 200
Banco Ind. Cat. 122
Banco Madrid 21
Banco Santander 227
Banco Urquijo 140
Banco Vizcaya 206
Banco Zaragoza 206
Oreagados 76
Espanola Zinc 61
Gal. Preciados 24
Hidroila 65.7
Industria 101
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Sogefas 107
Telefonos 107
Union Elect. 65

GLEESON

Civil Engineering & Building Contractors

The Directors of M. J. Gleeson (Contractors) Limited announce the following unaudited results of the Group for the half-year ended 31st December 1979:

	Half-year ended 31st December 1979	Half-year ended 31st December 1978
Turnover	£24m	£30m
Profit before Taxation	450	427
Taxation	250	248
Profit after Taxation	200	179

The increase in turnover reflects the current rate of inflation rather than a higher level of output in real terms, and the disclosed profit figure indicates that the anticipated improvement in margins is still awaited. In the meantime, the Board has declared an Interim Dividend of 0.9 pence per share (compared with 0.82625p last year) which will be paid on 4th July 1980 to shareholders on the Register at the close of the business on 13th June 1980.

Although the Group's turnover for the half-year ending 30th June 1980 will continue to keep pace with inflation, the Board's view remains that work shortages in the public sector (particularly civil engineering) will therefore lead to reduced levels of output in real terms. Pending an upturn in Government expenditure on public works, profits will be increasingly dependent on the final settlement of past contracts, and the Group's successful activities in the private sector. The Directors are pleased to announce that Messrs. J. F. G. Fahy and W. S. Graca have been appointed Directors of the Main Board.

M. J. H. Nightingale & Co. Limited

27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

High	Low	Company	Price	Change	Div (p)	%	P/E
98	80	Aimprung	86	—	8.7	10.2	3.91
99	26	Armitage and Rhodes	32	—	3.8	11.9	2.11
100	185	Barclay	275	—	13.8	5.0	9.11
101	80	Counry Cem 10.7% Pt.	80	—	15.3	19.1	—
102	63	Onshore Ord.	93	—	5.0	5.4	10.2
103	58	Frank Hovell	118	—	19.9	6.7	7.3
104	128	Frederick Peaker	98	—	12.8	12.8	4.51
105	102	George Blair	106	—	18.5	16.7	—
106	70	Jackman Group	107	—	5.2	2.5	4.11
107	163	James Burrell	107	—	7.2	6.7	8.4
108	300	Todd Jenkins	282	—	31.3	11.1	8.01
109	232	Todd	223	—	14.3	6.4	5.81
110	34	Twinkl Ord.	13	—	0.6	8.5	2.91
111	80	Twinkl 12% ULS	70m	—	12.0	17.1	—
112	56	23 Unilock Holdings	47	—	2.8	5.5	10.0
113	50	45 Unilock Holdings New	46	—	3.8	9.8	—
114	98	42 Walter Alexander	92	—	4.4	4.7	6.1
202	136	W. S. Yeates	202	—	12.1	6.0	3.31

† Accounts prepared under provisions of SSAP 16.

CORAL INDEX: Close 433-438 (unchanged)

REPORTS TO MEETINGS

Thomas Tilling to spend £80m in UK this year

The Thomas Tilling group expects to spend some £80m on its existing UK operations this year compared to about £55m in 1979, chairman Mr. Robert Taylor told shareholders.

The current-year had started well, and he anticipated a continued successful performance. Operations in the U.S., Japan, Norway, Australia and the UK had been expanded and further acquisitions in the U.S. were being negotiated.

The group, which reported pre-tax profits of £81.1m from sales of £1.42bn last year, was now closer to its target of having 40 per cent of its activities overseas, the chairman added.

At other annual meetings, shareholders of Canadian International were told that the steel strike had had a severe impact on first-quarter trading, and the effects had continued into the second quarter. Some overseas business had been lost, notably a £2.75m contract for an aluminium smelter in the Middle East. But the order book was healthy and the longer-term outlook excellent.

Results for the first four months at Thomas Jordan indicated that the half-year profit would be a record.

Sharp rise by Spencer Clark

WITH SALES some £2m higher at £6.36m, pre-tax profits of Spencer Clark Metal Industries showed a significant increase from £103,000 to £311,000 for the half year to March 31, 1980.

The directors say the first half has produced a satisfactory result and they expect a similar level of activity during the second six months.

The net interim dividend is raised from 0.95p to 1.1p per 20p share—last year's total was 2.39p on taxable profits of £379,000.

The company manufactures special steels and superalloys in sheets, bars and forgings.

TKM buys Pre-Delivery Inspection

Tozer Kemsley and Millhoun (Holdings), the international finance, trading and investment group, has acquired Pre-Delivery Inspection Holdings Limited (PDI), a company providing services to the international motor industry.

The consideration payable is £840,375 plus 103.75 per cent of the net tangible asset value as at October 31, 1979. The sum of £850,000 is payable in cash immediately, with any balance payable on completion of audited accounts as at October 31, 1979. The balance, also payable in cash, is unlikely to exceed £200,000.

TKM expects that PDI will generate annual pre-tax profits initially in the region of £350,000. Turnover is approximately £3,500,000.

LATER DEADLINE FOR AIR CALL

The deadline for applications for shares of Air Call has been extended to 3 pm on Tuesday, May 20, because of postal delays caused by the transport disruption on May 14. Allotment letters were mailed on May 14 and dealings under Rule 163(2) are expected to begin on Wednesday, May 21.

ARBUTHNOT GOVERNMENT SECURITIES TRUST LIMITED

Investment Portfolio of Gilts

Daily valuation and dealing

Following the recent heavy demand for the Arbuthnot Government Securities Trust, the Directors will deal in the shares of the Company on a daily basis for one year, as from Monday 19th May, 1980.

15.08%

Estimated Gross Dividend Yield (at the last offer price of 84.6p x d*)

Dividend
The Directors are pleased to forecast an annual dividend of 12.75p per share for the year ending 31st July, 1980, to be paid quarterly.
The Income Shareholders receive gross dividends in cash (except to Jersey residents) and the Capital Shareholders a scrip issue of equal value.
Capital shares may not be held by residents of the United Kingdom or Jersey. The Income and Capital Shares are listed on The Stock Exchange, London.
The fund is now valued at over £10 million.
Allen Harvey & Ross Investment Management Limited who have an excellent record in the management of Gilts, edged funds act as investment advisers.

For the David Scott-Barrett, K.B.E., M.C., Arbuthnot Securities Limited, 37 Queen Street, London EC4R 3EY.
Please send me a copy of the company's prospectus (on the terms of which shares will be issued) together with the latest accounts.
Name: _____
Address: _____
ARBUTHNOT
Arbuthnot Securities Limited (Licensed Dealers in Securities)

THIS ADVERTISEMENT HAS BEEN ISSUED BY J. HENRY SCHRODER WAGG & CO. LIMITED ON BEHALF OF WARING & GILLOW (HOLDINGS) LIMITED.

Accept Waring & Gillow offers for Maples now!

Here are the key points to consider—

1. What will your shares be worth without the Waring & Gillow offer of 35p? Prior to the original talks they were worth only 20p.
2. Your Board has failed to produce any convincing reason why you should not accept

Sir John Cuckney to head Brooke Bond Liebig

WAYS BOARD from July 1. He is at present finance director of North Thames Gas.

A.B.N. Bank	17	%	■ Hambros Bank	17	%
Allied Irish Bank	17	%	■ Hill Samuel & Co.	17	%
American Express Bk.	17	%	C. Hoare & Co.	17	%
Amros Bank	17	%	Hoogkoog & Shanghai ..	17	%
Henry Ansbacher	17	%	Industrial Bk. of Scot.	17	%
A P Bank Ltd	17	%	Keyser Ullmann	17	%
■ Arbuthnot Latham	17	%	Knowsley & Co. Ltd.	19	%
Associates Cap. Corp.	17	%	Langris Trust Ltd	17	%
Banco de Bilbao	17	%	Leopold Bank	17	%
Bank of India & Cmc.	17	%	Edward Manson & Co.	18	%
Bank of Cyprus	17	%	Midland Bank	17	%
Bank of N.S.W.	17	%	■ Samuel Montagu	17	%
Banque Belge Ltd.	17	%	■ Morgan Grentoff	17	%
Banque du Rhooe et de			National Westminster ..	17	%
la Tamise S.A.	17	%	Norwich General Trust ..	17	%
Barclays Bank	17	%	P. S. Refsoo & Co.	17	%
Bremer Holdings Ltd.	16	%	Rossminster	17	%
Brit. Bank of Mid. East ...	17	%	Ryl. Bk. Canada (Ldn.) ..	17	%
■ Brown Shipley	17	%	Schlesinger Limited	17	%
Canada Pernat Trust	18	%	E. S. Schwab	17	%
Cayzer Ltd	17	%	Security Trust Co. Ltd.	18	%
Cedar Holdings	17	%	Standard Chartered	17	%
■ Charterhouse Japhet.	17	%	Trust Bank	17	%
Choularouts	17	%	Trustee Savings Bank ..	17	%
C. E. & Co.	17	%	Twentieth Century Bk.	17	%
Consolidated Credit	17	%	United Bank of Kuwait ...	17	%
Co-operative Bank	17	%	Whiteaway Laidlaw	17	%
Corinthian Secs.	17	%	Williams & Glyn's	17	%
The Cyprus Popular Bk.	17	%	Wintrust Secs. Ltd.	17	%
Duncao Lawrie	17	%	Yorkshire Bank	17	%
Egalt Trust	17	%			
E. T. Trust Limited	17	%	■ Members of the Accepting Houses		
First Nat. Fin. Corp.	18	%	Committee.		
First Nat. Secs. Ltd.	18	%	• 7-day deposits 15%. 1-month		
Robert Fraser	17	%	deposits 15%.		
■ Antonio Ribba	17	%	† 7-day deposits on sums of £10,000		
Greyhound Guaranty	17	%	15% and over £20,000 15%.		
Griedelbay Bank	17	%	‡ Call deposits over £1,000 15%.		
■ Guinness Mahoo	17	%	§ Demand deposits 15%.		

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	Stock	tion	marks	Closing	Change	1980
				price (p)	on week	high
	LASMO	25p	50	622	2	665
	Shell Transport...	25p	62	374	+ 24	416
	BP	25p	59	338	+ 14	412
	Carless Capel	10p	46	146	+ 6	158
	Premier Cons.	5p	46	93	- 1	96
	Tricentral	25p	44	362	+ 12	363
	KCA Int'l	£1	39	85	+ 3	94
	Burmah Oil	£1	35	210	-	249
	ICI	£1	35	380	+ 2	402
	Royal Dutch	Fl.120	35	539 1/2	+ 1 1/2	539 1/2
	Ultramar	25p	35	336	+ 2	340
	BAT Inds.	25p	33	243	- 4	271
	BTR	25p	32	337	+ 21	368
	Marks & Spencer	25p	32	88	-	93
	Cons. Gold Fields	25p	31	465	+ 3	563
YESTERDAY—						
	Stock	Denomina-	No.	Closing	Change	1980
		tion	marks	price (p)	on day	high
	LASMO	25p	15	622	- 22	665
	European Ferries	24p	8	139	+ 4	142
	BP	25p	7	338	- 6	412
	Carless Capel	10p	7	146	- 2	158
	Courtaulds	25p	7	71	+ 3	79
	Shell Transport...	25p	7	374	- 4	410
	Premier Cons.	5p	6	93	- 3	96
	Automated Secs.					
	8% Cov. Uns.					
	Lat. 95	Nil/pd.	5	531pm	-	531pm
	BAT Inds.	25p	5	243	-	271
	Burmah Oil	£1	5	210	- 1	249
	GEC	25p	5	370	+ 1	388
	ICI	£1	5	188	- 10	402
	Marks & Spencer	25p	5	88	-	96
	Rank Org.	25p	5	139	-	142

FINANCIAL TIMES STOCK INDICES

Among the heavyweights rises

NEW HIGHS AND LOWS FOR 1980

The following shares moved to the new Highs and Lows for 1980, according to information furnished by the Atlanta Office of the SEC.

NEW HIGHS (\$3)

BRITISH FUNDING CO.	
Trues. Variable "82	Feb. 59p. 52-84
Trues. Variable "82	Feb. 59p. 52-84

NEW BONDS (1)

SHOES (1)	
Hilborn	TEXTILES (1)
Stee Viscosa	TRUSTS (3)
Engelwood Cap. Corp.	Park Place Inv.
Ch. & Gas (1)	
West. Pet. Co.	Overseas Traders (1)
Paterson	Finley (1)
Do. A. N. V.	

NEW LOWS (\$3)

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

[illegible][illegible][illegible]

360

		1950		Since Completion		May 1951	
		High	Low	High	Low	Daily Gilt Edged...	
Govt. Secs.	69.35 (2/11)	63.26 (7/2)	137.4 (5/7)	49.18 (5/7)		104.6	
						Industrial...	96.3
						Speculative...	96.3
						Total...	57.1
Fixed Int.	59.64 (2/11)	18.03 (1/3)	150.4 (2/17)	50.63 (1/7)			
Ind. Inv.	478.6 (1/2)	406.0 (1/1)	556.6 (5/7)	49.4 (2/4/49)		8-day Avge.	102.4
						Gilt Edged...	102.4
						Industrial...	96.3
						Speculative...	96.3
						Total...	79.6

after the recent good gains. Tanks were a notable exception as renewed speculative buying, reflecting the stake in the Ashton diamond venture, lifted the shares 3 for a week's gain of 25 to 260p. Rio Tinto, too, on the other hand, fell 5 to 363p. Gold Fields 4 to 465p while Charter and Selection Trust held steady at 150p and 674p.

Latuniums were untested, as were Coppers. Australians provided a feature in Mount Lyell which advanced 15 to 75p following persistent small demand in a restricted market. Frodshating, affected by the oil-shale twist, Caledonia Pacific dipped 1 to 224p. Southern Pacific 25 to 900p. Recent buying of the A. S. M. participants tended to drive Conzinc Rietveld managed, up 2 to 255p but Ashton Northern Mining closed unchanged at 132p and 122p respectively.

Among the leading i Western Mining, the recom of a bear squeeze, ad more to 213p; while Broken Hill rose 4 to 162p.

	Yesterday		On the w	
	Up	Down	Up	Down
British Funds	1	2	28	2
Corps., Dom. & Foreign Bonds	2	12	52	23
Industrials	162	257	575	1,183
Financial and Prop.	59	114	296	365
Oil &	16	23	11	112
Plantations	5	8	15	24
Miners	5	5	32	36
Others	83	21	58	239
Totals	452	457	1,513	2,524

UNIT TRUST SERVICE

[illegible]

M & G Group		Stronghold Management Limited	
Three Quays, Tower Hill EC3R 6BB		P.O. Box 315, St. Helier, Jersey	
01-626 4588		0534	
Atlantic May 13	US\$35.33	5.50	—
Australian May 14	US\$28.89	5.20	—
Commodity Trust	143.97	151.55	—

[illegible]

117 ES April 30	17.50	1.23
117 Group April 30	13.00	2.85
117 Jersey April 16	5.90	3.05
117 J's April 23	6.20	3.10

TSB Gift Fund Managers (G.L.) Ltd.
 1000-1010, 1011-1012, 1013-1014, 1015-1016, 1017-1018, 1019-1020, 1021-1022, 1023-1024, 1025-1026, 1027-1028, 1029-1030, 1031-1032, 1033-1034, 1035-1036, 1037-1038, 1039-1040, 1041-1042, 1043-1044, 1045-1046, 1047-1048, 1049-1050, 1051-1052, 1053-1054, 1055-1056, 1057-1058, 1059-1060, 1061-1062, 1063-1064, 1065-1066, 1067-1068, 1069-1070, 1071-1072, 1073-1074, 1075-1076, 1077-1078, 1079-1080, 1081-1082, 1083-1084, 1085-1086, 1087-1088, 1089-1090, 1091-1092, 1093-1094, 1095-1096, 1097-1098, 1099-1100, 1101-1102, 1103-1104, 1105-1106, 1107-1108, 1109-1110, 1111-1112, 1113-1114, 1115-1116, 1117-1118, 1119-1120, 1121-1122, 1123-1124, 1125-1126, 1127-1128, 1129-1130, 1131-1132, 1133-1134, 1135-1136, 1137-1138, 1139-1140, 1141-1142, 1143-1144, 1145-1146, 1147-1148, 1149-1150, 1151-1152, 1153-1154, 1155-1156, 1157-1158, 1159-1160, 1161-1162, 1163-1164, 1165-1166, 1167-1168, 1169-1170, 1171-1172, 1173-1174, 1175-1176, 1177-1178, 1179-1180, 1181-1182, 1183-1184, 1185-1186, 1187-1188, 1189-1190, 1191-1192, 1193-1194, 1195-1196, 1197-1198, 1199-1200, 1201-1202, 1203-1204, 1205-1206, 1207-1208, 1209-1210, 1211-1212, 1213-1214, 1215-1216, 1217-1218, 1219-1220, 1221-1222, 1223-1224, 1225-1226, 1227-1228, 1229-1230, 1231-1232, 1233-1234, 1235-1236, 1237-1238, 1239-1240, 1241-1242, 1243-1244, 1245-1246, 1247-1248, 1249-1250, 1251-1252, 1253-1254, 1255-1256, 1257-1258, 1259-1260, 1261-1262, 1263-1264, 1265-1266, 1267-1268, 1269-1270, 1271-1272, 1273-1274, 1275-1276, 1277-1278, 1279-1280, 1281-1282, 1283-1284, 1285-1286, 1287-1288, 1289-1290, 1291-1292, 1293-1294, 1295-1296, 1297-1298, 1299-1300, 1301-1302, 1303-1304, 1305-1306, 1307-1308, 1309-1310, 1311-1312, 1313-1314, 1315-1316, 1317-1318, 1319-1320, 1321-1322, 1323-1324, 1325-1326, 1327-1328, 1329-1330, 1331-1332, 1333-1334, 1335-1336, 1337-1338, 1339-1340, 1341-1342, 1343-1344, 1345-1346, 1347-1348, 1349-1350, 1351-1352, 1353-1354, 1355-1356, 1357-1358, 1359-1360, 1361-1362, 1363-1364, 1365-1366, 1367-1368, 1369-1370, 1371-1372, 1373-1374, 1375-1376, 1377-1378, 1379-1380, 1381-1382, 1383-1384, 1385-1386, 1387-1388, 1389-1390, 1391-1392, 1393-1394, 1395-1396, 1397-1398, 1399-1400, 1401-1402, 1403-1404, 1405-1406, 1407-1408, 1409-1410, 1411-1412, 1413-1414, 1415-1416, 1417-1418, 1419-1420, 1421-1422, 1423-1424, 1425-1426, 1427-1428, 1429-1430, 1431-1432, 1433-1434, 1435-1436, 1437-1438, 1439-1440, 1441-1442, 1443-1444, 1445-1446, 1447-1448, 1449-1450, 1451-1452, 1453-1454, 1455-1456, 1457-1458, 1459-1460, 1461-1462, 1463-1464, 1465-1466, 1467-1468, 1469-1470, 1471-1472, 1473-1474, 1475-1476, 1477-1478, 1479-1480, 1481-1482, 1483-1484, 1485-1486, 1487-1488, 1489-1490, 1491-1492, 1493-1494, 1495-1496, 1497-1498, 1499-1500, 1501-1502, 1503-1504, 1505-1506, 1507-1508, 1509-1510, 1511-1512, 1513-1514, 1515-1516, 1517-1518, 1519-1520, 1521-1522, 1523-1524, 1525-1526, 1527-1528, 1529-1530, 1531-1532, 1533-1534, 1535-1536, 1537-1538, 1539-1540, 1541-1542, 1543-1544, 1545-1546, 1547-1548, 1549-1550, 1551-1552, 1553-1554, 1555-1556, 1557-1558, 1559-1560, 1561-1562, 1563-1564, 1565-1566, 1567-1568, 1569-1570, 1571-1572, 1573-1574, 1575-1576, 1577-1578, 1579-1580, 1581-1582, 1583-1584, 1585-1586, 1587-1588, 1589-1590, 1591-1592, 1593-1594, 1595-1596, 1597-1598, 1599-1600, 1601-1602, 1603-1604, 1605-1606, 1607-1608, 1609-1610, 1611-1612, 1613-1614, 1615-1616, 1617-1618, 1619-1620, 1621-1622, 1623-1624, 1625-1626, 1627-1628, 1629-1630, 1631-1632, 1633-1634, 1635-1636, 1637-1638, 1639-1640, 1641-1642, 1643-1644, 1645-1646, 1647-1648, 1649-1650, 1651-1652, 1653-1654, 1655-1656, 1657-1658, 1659-1660, 1661-1662, 1663-1664, 1665-1666, 1667-1668, 1669-1670, 1671-1672, 1673-1674, 1675-1676, 1677-1678, 1679-1680, 1681-1682, 1683-1684, 1685-1686, 1687-1688, 1689-1690, 1691-1692, 1693-1694, 1695-1696, 1697-1698, 1699-1700, 1701-1702, 1703-1704, 1705-1706, 1707-1708, 1709-1710, 1711-1712, 1713-1714, 1715-1716, 1717-17

J&S, Hone St., Glasgow, C2	041-221-5521	158 Gm. Lb. 21.0	52.0
161, 1st St., April 30	US\$20.30	158 Gm. Lb. 21.0	52.0
161, 1st St., April 30	US\$20.30	158 Gm. Lb. 21.0	52.0
Pacific Food April 30	US\$20.09	Price per lb. 1st cut May 2	May 2

West. Washington Jersey J.F. Mgrs. Ltd.	0534-3440	Tokyo Pacific Holdings N.Y.
1000, 1st St., La Mer, Jersey	0534-3440	Int'l. Inc. 1000, 1st St., La Mer, Jersey
High Income Fund	13.94	NAV per share May 12 US\$21.76
Energy Fund	49.0	
International Bond	4.26	
1st day every Tues. First Sat. at 250		

Negit S.A.		Tokyo Pacific Hldgs. (Seaboard) N.
210 Boulevard Royal, Luxembourg		Int'l. Inc. 1000, 1st St., La Mer, Jersey
NAV April 25	US\$21.76	NAV per share May 12 US\$21.76
Negit Ltd.		

		Tryndall Group
		1000, 1st St., La Mer, Jersey

Share of derivative gains, MainNet, Brnco.				
NV Feb 29	63.25	-	-	
Pacific Basin Fund				
10a Boulevard Royal, Luxembourg.				
NAV Feb 29				
Overseas May 14	US\$ 28	1.36		
(Acum. Units)	US\$ 23	2.36		
2 New St., St. Haller, Jena.				0594.37
TOPSL May 15	€ 15	6.15		
(Acum. Shares)	€ 12	14.60		

[illegible]

QUEST FUND, Huntington (Jersey) Ltd.	0534 27442	Union-Investment-Gesellschaft mbH
PO Box 194, St. Helier, Jersey.		Postfach 16767, D 6000 Frankfurt 16.
Quest Sdg. Fnd, Int.	0.85%	
Quest Int. Secs.	0.97%	
Quest Ind. B.		
		Units
		26.80

[illegible]

0.C. Planting, P.L.	11.00	11.00	11.00
0.C. Sterling, P.L.	11.00	11.00	11.00
Prices on May 14, Next dealing May 30.			
Prices on May 7, Next dealing May 21.			
Daily dealings.			

[illegible]

Far Eastern	US\$1.00	17.61	
North America	US\$4.80	5.10	
Spain	US\$16.00	11.53	
Trust Channel Isl		72.5	
Commodity Funds		76.4	6.07

[illegible]

1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 2528, 2529, 2530, 2531, 2532, 2533, 2534, 2535, 2536, 2537, 2538, 2539, 2540, 2541, 2542, 2543, 2544, 2545, 2546, 2547, 2548, 2549, 2550, 2551, 2552, 2553, 2554, 2555, 2556, 2557, 2558, 2559, 2560, 2561, 2562, 2563, 2564, 2565, 2566, 2567, 2568, 2569, 2570, 2571, 2572, 2573, 2574, 2575, 2576, 2577, 2578, 2579, 2580, 2581, 2582, 2583, 2584, 2585, 2586, 2587, 2588, 2589, 2590, 2591, 2592, 2593, 2594, 2595, 2596, 2597, 2598, 2599, 2600, 2601, 2602, 2603, 2604, 2605, 2606, 2607, 2608, 2609, 2610, 2611, 2612, 2613, 2614, 2615, 2616, 2617, 2618, 2619, 2620, 2621, 2622, 2623, 2624, 2625, 2626, 2627, 2628, 2629, 2630, 2631, 2632, 2633, 2634, 2635, 2636, 2637, 2638, 2639, 2640, 2641, 2642, 2643, 2644, 2645, 2646, 2647, 2648, 2649, 2650, 2651, 2652, 2653, 2654, 2655, 2656, 2657, 2658, 2659, 2660, 2661, 2662, 2663, 2664, 2665, 2666, 2667, 2668, 2669, 2670, 2671, 2672, 2673, 2674, 2675, 2676, 2677, 2678, 26

FT UNIT TRUST INFORMATION SERVICE

**AUTHORISED
UNIT
TRUSTS**

[illegible]

Discretionary Unit Fund Managers

1	Blackwell St, EC2M 7AL	233	01-63
2	E. F. Winchester Park Mngt. Co.	233	01-63
3	44, Stoney Street, WC1A 2RA	01-62	
4	25, Whitehall, W1A 1AL	01-62	
5	Emmott & Dudley, Ltd., Wyngton, Lincs	01-61	
6	250, Abchurch Lane, W.C.1	735	01-77
7	Emmott Dudley Ltd., W.C.1	735	01-77
8	Emply & Law, Ltd., 10, W.C.1	01-60	
9	Apex House, High Wycombe	0944	
10	250, Abchurch Lane, W.C.1	735	01-77
11	Fidelity International Management	01-61	
12	65-63, Queen St., London, EC4R 1AD	01-24	
13	Fincham, 10, W.C.1	01-61	
14	Fincham, 10, W.C.1	01-61	
15	Fincham, 10, W.C.1	01-61	
16	Fincham, 10, W.C.1	01-61	
17	Fincham, 10, W.C.1	01-61	
18	Fincham, 10, W.C.1	01-61	
19	Fincham, 10, W.C.1	01-61	
20	Fincham, 10, W.C.1	01-61	
21	Fincham, 10, W.C.1	01-61	
22	Fincham, 10, W.C.1	01-61	
23	Fincham, 10, W.C.1	01-61	
24	Fincham, 10, W.C.1	01-61	
25	Fincham, 10, W.C.1	01-61	
26	Fincham, 10, W.C.1	01-61	
27	Fincham, 10, W.C.1	01-61	
28	Fincham, 10, W.C.1	01-61	
29	Fincham, 10, W.C.1	01-61	
30	Fincham, 10, W.C.1	01-61	
31	Fincham, 10, W.C.1	01-61	
32	Fincham, 10, W.C.1	01-61	
33	Fincham, 10, W.C.1	01-61	
34	Fincham, 10, W.C.1	01-61	
35	Fincham, 10, W.C.1	01-61	
36	Fincham, 10, W.C.1	01-61	
37	Fincham, 10, W.C.1	01-61	
38	Fincham, 10, W.C.1	01-61	
39	Fincham, 10, W.C.1	01-61	
40	Fincham, 10, W.C.1	01-61	
41	Fincham, 10, W.C.1	01-61	
42	Fincham, 10, W.C.1	01-61	
43	Fincham, 10, W.C.1	01-61	
44	Fincham, 10, W.C.1	01-61	
45	Fincham, 10, W.C.1	01-61	
46	Fincham, 10, W.C.1	01-61	
47	Fincham, 10, W.C.1	01-61	
48	Fincham, 10, W.C.1	01-61	
49	Fincham, 10, W.C.1	01-61	
50	Fincham, 10, W.C.1	01-61	
51	Fincham, 10, W.C.1	01-61	
52	Fincham, 10, W.C.1	01-61	
53	Fincham, 10, W.C.1	01-61	
54	Fincham, 10, W.C.1	01-61	
55	Fincham, 10, W.C.1	01-61	
56	Fincham, 10, W.C.1	01-61	
57	Fincham, 10, W.C.1	01-61	
58	Fincham, 10, W.C.1	01-61	
59	Fincham, 10, W.C.1	01-61	
60	Fincham, 10, W.C.1	01-61	
61	Fincham, 10, W.C.1	01-61	
62	Fincham, 10, W.C.1	01-61	
63	Fincham, 10, W.C.1	01-61	
64	Fincham, 10, W.C.1	01-61	
65	Fincham, 10, W.C.1	01-61	
66	Fincham, 10, W.C.1	01-61	
67	Fincham, 10, W.C.1	01-61	
68	Fincham, 10, W.C.1	01-61	
69	Fincham, 10, W.C.1	01-61	
70	Fincham, 10, W.C.1	01-61	
71	Fincham, 10, W.C.1	01-61	
72	Fincham, 10, W.C.1	01-61	
73	Fincham, 10, W.C.1	01-61	
74	Fincham, 10, W.C.1	01-61	
75	Fincham, 10, W.C.1	01-61	
76	Fincham, 10, W.C.1	01-61	
77	Fincham, 10, W.C.1	01-61	
78	Fincham, 10, W.C.1	01-61	
79	Fincham, 10, W.C.1	01-61	
80	Fincham, 10, W.C.1	01-61	
81	Fincham, 10, W.C.1	01-61	
82	Fincham, 10, W.C.1	01-61	
83	Fincham, 10, W.C.1	01-61	
84	Fincham, 10, W.C.1	01-61	
85	Fincham, 10, W.C.1	01-61	
86	Fincham, 10, W.C.1	01-61	
87	Fincham, 10, W.C.1	01-61	
88	Fincham, 10, W.C.1	01-61	
89	Fincham, 10, W.C.1	01-61	
90	Fincham, 10, W.C.1	01-61	
91	Fincham, 10, W.C.1	01-61	
92	Fincham, 10, W.C.1	01-61	
93	Fincham, 10, W.C.1	01-61	
94	Fincham, 10, W.C.1	01-61	
95	Fincham, 10, W.C.1	01-61	

Manulife Management Ltd.

[illegible]

Scientific Unit Manager: 1-1-0

[illegible]

103. of Westminster Assurances

[illegible]

1. *Journal of the American Medical Association*, 1997; 278: 1039-1044.

[illegible]

[illegible]

1. *Journal of the American Medical Association*, 1997; 277: 1033-1038.

[illegible]

10

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

Continued on previous page



BRITISH FUNDS

Shorts (Lives up to Five Years)

High	Low	Stock	Price	%	Yield	%
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100

Five to Fifteen Years

High	Low	Stock	Price	%	Yield	%
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100

Over Fifteen Years

High	Low	Stock	Price	%	Yield	%
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100

Undated

High	Low	Stock	Price	%	Yield	%
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100

INTERNATIONAL BANK

86 78 50/32 77-52 85 1/2 5/8 12/20

CORPORATION LOANS

High	Low	Stock	Price	%	Yield	%
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100

COMMONWEALTH AND AFRICAN LOANS

High	Low	Stock	Price	%	Yield	%
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100

LOANS

High	Low	Stock	Price	%	Yield	%
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100

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FT SHARE INFORMATION SERVICE

LOANS—Continued

High	Low	Stock	Price	%	Yield	%
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100

FOREIGN BONDS & RAILS

High	Low	Stock	Price	%	Yield	%
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100

AMERICANS

High	Low	Stock	Price	%	Yield	%
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100

Over Fifteen Years

High	Low	Stock	Price	%	Yield	%
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100

Undated

High	Low	Stock	Price	%	Yield	%
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100

INTERNATIONAL BANK

86 78 50/32 77-52 85 1/2 5/8 12/20

CORPORATION LOANS

High	Low	Stock	Price	%	Yield	%
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100
98.5	98.0	British 100	98.5	100	100	100

COMMON

